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East Asia

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Daily Report

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APEC Forum Held on Supporting Small Businesses

Thailand Minister Interviewed

*OW2210083794 Tokyo KYODO in English 0451 GMT
22 Oct 94*

[By Keiji Urakami]

[FBIS Transcribed Excerpt] Osaka, Oct. 22 KYODO—Thailand will support a Japanese proposal to create a high-level forum in the Asia-Pacific Economic Cooperation (APEC) forum to address various problems facing small companies in the Asia-Pacific region, the Thai deputy prime minister said Saturday [22 October].

"Japan has proposed setting up a working group with a special interest in ways to determine policies on small and medium-sized enterprises. We will agree with that," Suphachai Phanitchaphak said in an interview with KYODO NEWS SERVICE. Suphachai is in Japan to attend a two-day APEC conference on small companies starting Saturday evening in Osaka.

A joint declaration to be released at the end of the Osaka gathering is expected to adopt the Japanese proposal, to be formally unveiled at the meeting, as part of efforts to foster so-called "supporting industries" in the Asia-Pacific region.

"In line with the aims (of the proposed forum for small firms), APEC members should go straight to work on implementing certain joint programs between small companies in Japan and those in the rest of Asia," Suphachai said.

Suphachai also asked Japan to step up its transfers of technology not only to the Association of Southeast Asian Nations (ASEAN) but also to the members of APEC.

"There should be financial support (from Japan), particularly infusion of initial capital for joint ventures in ASEAN and APEC countries," Suphachai said.

Suphachai expressed confidence that a consensus will be reached on how to promote freer trade in the Asia-Pacific region, at the second informal APEC summit in Bogor, Indonesia, on Nov. 15.

"I don't think a real consensus is now formed on a timetable for APEC liberalization...but the (APEC) leaders will be able to agree on it at the Indonesian gathering," Suphachai said.

The Thai deputy prime minister, however, said the specifics of the plan should be settled "on a voluntary basis," indicating the need for further discussion with countries opposing speedy liberalization, such as Malaysia.

"You are not going to force countries with such different states of development onto the same track," Suphachai

said. "We would like to have some time to study the conditions of free trade as proposed by an APEC advisory group."

Even among the ASEAN countries, there are divergent views about freer trade in APEC. [passage omitted]

Suphachai proposed setting up a mechanism to stimulate the transfer of technology to Thai companies from Japan, and especially from the Osaka area where many small companies operate. To help achieve that goal, Thailand wants Japan to help establish channels to smooth the flow of technical information between the two countries, Suphachai said.

Supachai said Japanese companies from the textile and auto sectors have already been operating successfully in Thailand. He sought further Japanese investment in Thailand, citing steel and electricals as major areas with investment potential, since the business environment for whose industries has recently been upgraded through various steps such as deregulation.

"It is a good time for Japanese companies to enter those areas," Suphachai said.

Conference Opens in Osaka 22 Oct

*OW2210131294 Tokyo KYODO in English 0950 GMT
22 Oct 94*

[By Keiji Urakami]

[FBIS Transcribed Text] Osaka, Oct. 22 KYODO—Ministers from the Asia-Pacific Economic Cooperation (APEC) forum began a two-day conference in Osaka on Saturday [22 October] evening with the aim of fostering "supporting industries" in the Asia-Pacific region. Economic and trade ministers, especially those in charge of small companies, from the 17 APEC members and Chile, a country to join the forum in November, got together in the commercial hub of Japan where all kinds of small and medium enterprises operate.

Japanese International Trade and Industry Minister Ryutaro Hashimoto chairs the two-day meeting, which began with a banquet hosted by Hashimoto.

The conference is expected to address a wide range of problems facing small companies in the Asia-Pacific area, ranging from backwardness in human resources and technological development to difficulties in raising money.

Representatives from the private sector are also joining the meeting, including business leaders in Osaka and the Pacific business forum, a group of business executives selected from APEC members.

A joint statement to be adopted at the end of the meeting is expected to confirm the importance of components and other supporting industries in economic development not only of the Asia-Pacific area but of the world.

"The Asia-Pacific region is seen as a driving force of global economic growth in the next century. But without the economic vitality of small companies, the area could not fulfill such a role," a senior Japanese Government official said.

Hashimoto Delivers Keynote Address

*OW2310015794 Tokyo KYODO in English 0134 GMT
23 Oct 94*

[By Keiji Urakami]

[FBIS Transcribed Excerpt] Osaka, Oct. 23 KYODO—Small and medium enterprises play a key role in helping "maintain the dynamic economic growth" of the Asia-Pacific region, Japanese Trade Minister Ryutaro Hashimoto said Sunday [23 October].

Hashimoto said the region needs "an economic nucleus" which can develop and supply "diverse high-value-added goods and services. This is where small and medium enterprises (SMEs) can be seen to hold the key to economic growth of the Asia-Pacific region."

Hashimoto was delivering a keynote address to trade and economic ministers from countries and regions belonging to the Asia-Pacific Economic Cooperation (APEC) forum, meeting in Osaka to discuss means of fostering component and other "supporting industries" in the Asia-Pacific area. [passage omitted]

"The intrinsically small nature of SMEs means they are vulnerable in a number of areas," Hashimoto said. "If we can overcome these problem areas, I feel sure that SMEs will display increasing strength as the locomotives of regional growth," he said.

These problems are also being addressed at a private-sector meeting on small companies, which are being held simultaneously with the APEC ministerial meeting.

In the afternoon, representatives from the Pacific Business Forum (PBF), a group of business executives selected from APEC members, will join the ministerial conference.

Delegates from Russia, which is not a member of APEC, are taking part in the session sponsored by the PBF, apparently with an eye to joining APEC in the future.

A joint statement to be adopted at the end of the meeting is expected to confirm the importance of small companies in the economic development not only of the Asia-Pacific area but of the world. In the statement, Japan will propose establishing a high-level forum to follow up on measures to be adopted at the Osaka gathering, a senior Japanese Government official said.

Japan's Hashimoto Meets PRC Minister

*OW2210154394 Tokyo KYODO in English 1432 GMT
22 Oct 94*

[By Keiji Urakami]

[FBIS Transcribed Text] Osaka, Oct. 22 KYODO—Japanese Trade Minister Ryutaro Hashimoto said Saturday [22 October] Beijing needs to make further economic restructuring efforts in order to be admitted to the General Agreement on Tariffs and Trade (GATT). Japanese officials said. The latest Chinese offer is "a step forward" toward joining GATT but Japan does not think it fully meets GATT conditions for membership, Hashimoto said in a meeting with Chinese State Economic and Trade Commission Minister Wang Zongyu.

Hashimoto was quoted as citing high tariff rates, import restrictions and strict regulations on foreign investment as trade practices that pose problems under GATT. China offered a comprehensive package in September that detailed deregulations and other economic reforms as a way to smooth its entry to GATT.

Hashimoto called for further Chinese efforts in repealing what he views as practices blocking foreign investment in China, the government officials said. Specifically, Hashimoto said Beijing imposes value-added tax on foreign companies in a discriminatory manner and also requires two similar safety standards for foreign products, a practice that has increased investment costs by foreign companies.

During his talks with Hashimoto, meanwhile, Wang raised no particular objection to Hashimoto's meeting earlier in the day with his Taiwanese counterpart, Chiang Ping-kun, according to the Japanese officials. Hashimoto and Wang are in Osaka to attend a two-day conference of the Asia-Pacific Economic Cooperation (APEC) forum, which began Saturday evening for a two-day run to discuss ways to nurture "supporting industries" in the region.

Japan Asked To Boost Investment

*OW2210140994 Tokyo KYODO in English 1325 GMT
22 Oct 94*

[By Keiji Urakami]

[FBIS Transcribed Text] Osaka, Oct. 22 KYODO—Indonesia, the Philippines and South Korea on Saturday [22 October] asked for further Japanese investment in these countries as part of efforts to foster their "supporting industries," Japanese officials said.

Japanese International Trade and Industry Minister Ryutaro Hashimoto received the requests during separate meetings with ministers from the three countries in the Asia-Pacific Economic Cooperation (APEC) forum. The ministers are in Osaka to attend the APEC conference on small companies, which began Saturday evening for a two-day run.

Explaining his country's latest relaxation on government rules and regulations as a way of facilitating foreign business operations, Indonesian Industry Minister

Tunky Ariwibowo said Indonesia expects Japan to step up investment in the component industry, the officials said.

Indonesian Cooperatives and Small Enterprises Minister Subiakto Tjakrawerdya sought Japanese cooperation in smoothing an Indonesian project to create a design center, the officials said.

Hashimoto was quoted as saying Japanese business interest in Indonesia has increased. The Japanese trade ministry is ready to cooperate with its Indonesian counterpart further, he said.

Philippine Trade and Industry Secretary Rizalino Navarro asked for Japan's support for a plan to set up a human training center in the Philippines for small companies, the officials said. Hashimoto said Japan will study the request if a concept paper is formally offered.

Philippine Trade and Industry Secretary Navarro appreciated the latest Japanese mission to Manila, which was intended to expand Japanese imports from the Philippines, the officials said.

Hashimoto was quoted as saying the mission produced "fruitful results," noting 20 business deals were concluded out of 49 negotiations following the dispatch of the mission.

South Korean Trade and Industry Minister Kim Chol-su expressed the hope that Japan will boost investment in South Korea in line with findings of the latest Japanese investment mission to the country, which was led by the Osaka business community.

"South Korea is working to upgrade its investment environment for foreign businesses, although there are some problems to be improved," Kim was quoted as saying. South Korea will sponsor investment seminars in major Japanese cities soon, Kim said. Kim asked Japan to support his bid to be chief of the World Trade Organization (WTO), a multilateral trade organ scheduled to be created at the beginning of next year. Hashimoto was quoted as saying he hopes Kim will succeed.

Japanese Prime Minister Tomiichi Murayama recently expressed Japan's support for Kim to be WTO director general.

Events at Forum Discussed

OW2310085894 Tokyo KYODO in English 0723 GMT
23 Oct 94

[By Keiji Urakami]

[FBIS Transcribed Excerpt] Osaka, Oct. 23 KYODO—Ministers from countries and regions in the Asia-Pacific area on Sunday [23 October] agreed to cooperate in efforts to foster component and other "supporting industries" as a means of achieving sustainable economic growth not only of the area but of the world.

Ministers in the Asia-Pacific Economic Cooperation (APEC) forum basically agreed to support small Asian companies in four major areas—human resources development, technological development, fund-raising and access to information, Japanese Government officials said. In order to expand the scope of activity by small companies in the area, ministers confirmed the need to relax various rules and regulations firmly binding their operations, the officials said. [passage omitted]

As a way to address the four major issues, APEC members offered a wide range of specific proposals, the Japanese officials said.

"Some of them were agreed while others drew negative comments, reflecting differing policies on small companies among APEC members that may stem from their different economic development stages," they said.

Japan proposed creating a high-level "policy group" in charge of devising specific measures and monitoring their progress, the officials said. APEC ministers will likely support the necessity of setting up the group in a joint statement to be released at the end of the conference later Sunday, they said.

"The proposal will be formally accepted at a ministerial APEC meeting in Indonesia in November," they added.

Australian Small Business Minister Chris Schacht proposed establishing "a one-stop information center" in the APEC region, a scheme designed to facilitate access by small companies to necessary information at reasonable costs.

Deputy U.S. Commerce Secretary David Barram underscored the need to upgrade information infrastructure both domestically and in the entire APEC. The U.S. proposal drew support from a representative from Canada, who said the idea has already been introduced in the European Union (EU).

Japanese Trade Minister Ryutaro Hashimoto said an information network needs to be established so that only necessary information can be retrieved, saying some technical data often prove useless for small companies.

On the technological front, South Korea proposed a feasibility study on whether or not projects will become profitable before actual technical transfer. South Korea then proposed creating a secondary market for technological transfer, a recommendation supported by the Philippines.

The United States and Australia said a system to protect intellectual property rights should be established before setting up such a market.

On fund-raising, Indonesia cited the need to create an investment fund and a venture capital system.

Hashimoto said a credit guarantee system should be upgraded in the Asia-Pacific region.

Thailand said market access by developing countries to advanced nations should be enhanced, citing the difficulty of selling Thai-made products in major countries.

'Text' of Joint Statement

OW 2310123094 Tokyo KYODO in English 1126 GMT 23 Oct 94

[FBIS Transcribed Text] Osaka, Oct. 23 KYODO—The following is the full text of a joint statement released by ministers from the Asia-Pacific area on small business on Sunday [23 October] after their two-day discussions.

APEC [Asia-Pacific Economic Cooperation] Small and Medium Enterprise (SME) Ministerial Meeting

(October 22-23, 1994, Osaka, Japan)

The Role and Importance of Small and Medium Enterprises

1. The first APEC SME ministerial meeting was held on October 22-23, 1994, in Osaka, Japan, consistent with the November 1993 informal leaders' meeting's call for strengthened APEC dialogue on SMEs and in the firm conviction that enhancing the vitality of SMEs is of pivotal importance in maintaining Asia-Pacific dynamism into the 21st century.

2. Ministers welcomed the participation of representatives of the private sector, including the members of the Pacific Business Forum, who were invited so that APEC's work on SME issues would reflect private sector needs and support its objectives in expanding regional trade, investment and economic cooperation. Ministers also noted the valuable report of the Pacific Business Forum, which clarifies a number of critical issues before APEC, including those concerning SMEs.

3. Healthy SMEs not only stimulate domestic economies but also play an increasingly important role in cross-border economic activity. As such, SMEs are increasingly important both as a cause of and a means of heightening economic complementarities and development in the region.

4. Rapid technological innovation and diversification in market requirements are generating significant shifts in industrial activity and dramatically transforming many economies from primary output to the manufacture of high value-added products and from the production of goods to the provision of services. As a consequence, all economies, regardless of their stage of development, need to develop and produce an increasingly diverse array of high value-added goods and services. This is an area in which the capability of SMEs to respond flexibly works to their advantage, and SMEs can provide the locomotive power for further structural sophistication and sustained economic growth.

5. The accelerating globalization of industry, particularly in the manufacturing sector, creates a prime opportunity for every economy to encourage the establishment and

growth of domestic industry and to nurture a highly efficient and productive industrial structure. Such industrial development must, however, be premised upon the presence of SMEs with appropriate managerial and technological know-how. It will also depend upon the development of suitable financial infrastructure for SMEs. Supporting industries constitute an essential part of the industrial infrastructure needed for expanding foreign direct investment, stimulating the formation of regional production networks, and contributing to domestic and regional economic growth.

6. SMEs in the Asia-Pacific region at the dawn of the 21st century are well-positioned for business expansion. Sustained economic growth and new employment creation in the region depend to a great extent upon SME growth and development.

7. The ability of SMES to adapt effectively to this emerging environment is crucial not only to their continued viability and competitiveness but also to that of member economies. Ministers agreed that APEC's role in support of SMEs should focus first on addressing the areas where SMEs face the greatest handicaps. These include human resource development, access to information, technology and technology sharing, the availability of finance and market access. They are of even greater significance in economies where the industrial infrastructure is wanting. Discussion centered on how APEC could broaden cooperation in the Asia-Pacific to address these important issues.

8. Ministers also solicited and received the advice of representatives of the private sector, who held concurrent meetings focused on the same issues, and ministers appreciate their efforts in rendering the overall discussion more fruitful.

9. Ministers applauded the Uruguay Round's achievement in securing the alleviation or elimination of many formal barriers to trade and investment. They called for the full and speedy ratification of the Uruguay Round's results as essential in strengthening the business environment for SMEs. Ministers agreed that further efforts toward deregulation and trade and investment promotion would significantly facilitate SME development and would serve to enhance regional economic interdependence.

Direction of policies

10. While ministers recognized the diversity among SMEs which reflects the specific economy and economic sector in which they operate, they nonetheless believed it imperative, given the importance of SME growth in furthering the APEC region's dynamic growth, that the characteristics APEC-region SMES share should be emphasized so that APEC members can cooperate more effectively on SME issues. Furthermore, the diversity among SMEs should be explored and utilized to attain complementarities that would bring about more efficient production, greater employment opportunities and

mutual benefit among APEC economies. These beliefs underlie the direction of the following policies.

Fostering SME Growth

11. Free market mechanisms can provide the most favorable environment for SME growth, and it is essential that the APEC economies work out and implement market-oriented SME policies to help SMEs maximize their responses to market mechanisms.

12. While the policy mix deployed in each economy will necessarily differ depending upon the economy's stage of development and other special circumstances, addressing problems in the areas of human resources development, access to information, technology and technology sharing, the availability of financing and market access should be priorities of all APEC member economies. Ministers stated the belief that APEC members should cooperate to the maximum extent in dealing with these and other issues affecting SME development.

13. In this respect, ministers believed that APEC members should support leaders' initiatives and the SME-related activities of the CTI [Committee of Trade and Investment] and the various working groups within the APEC framework.

14. Ministers discussed a range of initiatives, including human resource development (APEC center for technology exchange and training for SMEs; networking of SME-related HRD [expansion unknown] initiatives), access to information (private/business sector networking; EDI [electronic data interchange] and electronic commerce), technology and technology sharing (APEC technomart; networking among SME promotion organizations related to technology) and financing (APEC venture capital workshop; investment scheme to facilitate the globalization of SMEs in the region).

Promoting Trade-And Investment-Conducive Deregulation and Infrastructure Provision

15. Further deregulation can level the playing field and allow SMEs to take full advantage of their special characteristics of [as received] fulfill their potential. Ministers urged all APEC members to facilitate freer SME activities in their respective economies. Ministers also urged all APEC members to improve market access and to participate positively in the World Trade Organization (WTO) and other activities intended to promote trade and investment liberalization.

16. In addition, it is imperative that trade and investment facilitation efforts be accelerated to enable SMEs to fulfill their potential. The establishment of non-binding investment principles is one such concrete measure that would reduce SME investment risks and expand investment incentives. Other measures integral to facilitating SMEs' offshore expansion include provision and mutual recognition of standards and conformance, and simplification of customs procedures, and ministers urged the CTI to step up its efforts in these areas.

17. It is axiomatic that all SME-related APEC policies should be WTO-consistent.

Recommendations for APEC Action

APEC Industrial Outlook Study

18. Facilitating SME development demands a sound grasp of the growing economic interdependence within the Asia-Pacific region, and SME policy-making would benefit from a shared outlook on APEC's future industrial structure. Ministers therefore recommended that APEC commission in-depth studies of the impact of regional interdependence, more open trade and deregulation on SMEs and suggestions on assisting SME adjustment to this environment. The proposed studies should take account of existing work on SMEs within APEC.

Ad-Hoc SME Policy-Level Group

19. Ministers stated their belief that SME policy dialogue can contribute importantly to the formulation of effective SME policy and enhance SME policy transparency.

20. Ministers agreed that the various SME-related activities in APEC would benefit from more effective and systematic coordination to ensure that SME-related concerns can be adequately addressed.

21. Ministers therefore recommended that the present APEC experts' meeting on SMEs be upgraded at the next ministerial meeting into an ad-hoc policy-level group on SMEs, meeting as needed under the direction of the APEC senior officials meeting. This group should report to the APEC senior officials meeting.

News Conference Held 23 Oct

*OW2310135294 Tokyo KYODO in English 1202 GMT
23 Oct 94*

[By Keiji Urakami]

[FBIS Transcribed Excerpt] Osaka, Oct. 23 KYODO—Ministers from countries and regions in the Asia-Pacific Economic Cooperation (APEC) forum were determined Sunday [23 October] to make joint efforts to nurture small companies in the area, an ambition eventually designed to achieve sustainable global economic growth.

"We came to share the view that the activity of small and medium enterprises could vitalize not only domestic economies but those beyond national boundaries," Japanese Trade Minister Ryutaro Hashimoto said in a joint news conference, summing up the two-day APEC conference on small firms, which he chaired. [passage omitted]

"Development and growth of small companies hold the key to achieving sustainable growth of the Asia-Pacific area, a growth center of the world, and creating new employment," Hashimoto said.

"Agreement was struck on needs to promote further deregulation and liberalization in trade and investment within APEC as a way to stimulate the activity of small companies," he added.

Hashimoto said APEC members agreed to introduce a wide range of specific proposals based on the principle of market mechanism, in order to cope with the four major issues.

"Some of them were agreed on while others drew negative comments, reflecting differing policies on small companies among APEC members that may stem from their different economic development stages," said Japanese Government officials.

In the statement, Japan recommended upgrading the current APEC working group on small companies to a high-level "policy group" that assumes "certain responsibility" for fulfillment of duty. The proposed group will take charge of researching various problems facing small companies and showing adequate prescriptions, the officials said. The group will be formally accepted at an APEC ministerial meeting in Indonesia in November, Hashimoto said.

Representatives from the private sector—business leaders in the Osaka business community and members of APEC's Pacific Business Forum (PBF)—also took part in the session, marking the first public-private joint session under the APEC framework.

"The private sector's participation could complement something lacking that would arise only under the public framework," Hashimoto said.

In the joint news conference, Masafumi Onishi, president of the Osaka Chamber of Commerce and Industry, said, "the latest APEC meeting has helped deepen participants' understanding toward the importance and role of small companies." Onishi, chairman of Osaka Gas Co., led a Japanese business delegation to the APEC meeting.

The statement called for full and speedy ratification of the Uruguay Round accord as a means of strengthening the business environment for small companies.

"Ministers applauded the Uruguay Round's achievement in securing the alleviation or elimination of many formal barriers to trade and investment," the statement said.

In the statement, they also urged all APEC members to improve market access and to participate positively in the World Trade Organization (WTO) and other activities intended to promote trade and investment liberalization.

Australian Small Business Minister Chris Schacht proposed creating "a one-stop information center" in the APEC region, a scheme designed to facilitate access by small companies to necessary information at reasonable costs.

Hashimoto said such a center should be eventually extended into a global body, based on "full discussion" of problems involved.

Other proposals made in the meeting included an APEC center for technology interchange and training, an investment facilitation scheme for small businesses and a workshop intended to encourage projects financed by venture capital.

The ministers agreed to hold the next APEC meeting on small companies in Australia in the middle of next year.

Taiwan Minister Speaks at Briefing

OW 2210160994 Tokyo KYODO in English 1533 GMT
22 Oct 94

[By Keiji Urakami]

[FBIS Transcribed Text] Osaka, Oct. 22 KYODO—Taiwanese Economic Minister Chiang Ping-kun expressed hope Saturday [22 October] that President Li Teng-hui will take part in an informal summit of the Asia-Pacific Economic Cooperation (APEC) forum to be held in Osaka next year. At a news conference, Chiang said, "attendance at an APEC summit is equally open to each APEC member."

"Taiwan wants to make efforts to achieve that visit although it involves problems," he added.

"President Li, rich in learning and experience, is a great man. I am confident that if he attends the Osaka meeting, discussions there would be more fruitful," Chiang said.

Chiang's remarks follow his historic meeting with Japanese Trade Minister Ryutaro Hashimoto, which broke a 22-year freeze in cabinet-level meetings between Tokyo and Taipei. During the first formal bilateral meeting since Japan switched its diplomatic allegiance from Taiwan to China in 1972, the Taiwanese minister asked Hashimoto to visit Taiwan when he has sufficient "leisure time," Japanese Government officials said.

In the press conference after the 25-minute meeting, Chiang said, "I have already met (former Japanese trade ministers) Kumagai and Mori."

"A visit to Taiwan by Mr. Hashimoto would help increase benefits for Japan as well as deepen bilateral economic ties," said Chiang.

Hashimoto did not immediately respond to the invitation, Chiang said. The meeting between Hashimoto and Chiang came after a recent storm of protests from China over a visit to Japan by a high-ranking Taiwanese official. Hashimoto and Chiang are in Osaka to attend a two-day conference from Saturday evening of the APEC forum, which brought together ministers in charge of small companies from the 17 APEC members and Chile, a country formally to join the forum in November.

In Tokyo, a ranking official of the Japanese Foreign Ministry said later in the day Japan will not allow Li to take part in the informal APEC summit in Osaka.

Japan treats Taiwan as an economic representative of a region in line with rules set at last year's APEC summit in Seattle, he said.

The official said the Hashimoto-Chiang meeting itself does not run counter to the 1972 Sino-Japanese joint statement.

"The talks were held within the framework of APEC," said the official who declined to be identified.

Japan has refrained from ministerial meetings with Taiwan on Japanese soil, a stance apparently designed to alleviate Beijing's concern over possible new developments in Japan-Taiwan ties.

Taiwanese Deputy Prime Minister Hsu Li-te recently visited Hiroshima to attend the opening ceremony of the Asian Games, prompting a barrage of criticism from China. Tokyo defended the visit, saying Hsu made the trip in his capacity as the head of Taipei's committee to win the 2002 Asian Games to Taiwan. The visit was seen as a compromise for Taiwan, which originally wanted to send its President Li to Hiroshima in line with an invitation extended by the Olympic Council of Asia (OCA). The council finally retracted the invitation as Beijing threatened to boycott the Games.

Beijing has claimed political actions between Tokyo and Taipei, like bilateral minister-level talks, violate the Sino-Japanese joint statement signed in 1972, which says Japan recognizes the People's Republic of China as the legal government of China and Taiwan is an integral part of China's territory.

Japan, when it accepted a Taiwanese proposal for the Hashimoto-Chiang meeting, said the discussions would be held within the framework of APEC.

Outside Japanese soil, former Japanese Trade Minister Hiroshi Kumagai and Chiang "briefly chatted" with each other when they attended the first informal summit of APEC in Seattle last November.

Chiang was also said to have met another former Japanese Trade Minister Yoshiro Mori in Seoul.

Taiwan Economic Minister Interviewed

OW2310044294 Tokyo KYODO in English 0312 GMT
23 Oct 94

[By Keiji Urakami]

[FBIS Transcribed Text] Osaka, Oct. 23 KYODO—A visit to Japan next year by Taiwanese President Li Teng-hui is "a unanimous wish" of the Taiwanese people, a Taiwanese minister said Sunday [23 October].

"The president's attendance at next year's informal APEC summit in Osaka is the wish of the Taiwanese

people—of all the Taiwanese people," Economic Minister Chiang Ping-kun said in an interview with KYODO NEWS SERVICE.

"The visit would greatly contribute to the development of the Asia-Pacific region," Chiang said.

"Taiwan is now working so that Li can take part in the coming APEC meeting in Indonesia but it will also make efforts to realize his visit to Osaka," said Chiang.

The remarks followed Chiang's comments Saturday in favor of Li's participation in the Osaka gathering of the Asia-Pacific Economic Cooperation (APEC) forum.

"Since APEC's creation, its summit has provided all the APEC leaders with an equal opportunity to discuss economic matters," Chiang said.

"Our leader thus has an equal right to take part in such a meeting—not only the coming Indonesian gathering but also a meeting to be held in Japan in the future," he said.

Chiang's remarks came after his meeting with Japanese Trade Minister Ryutaro Hashimoto on Saturday, which broke a 22-year-old freeze in cabinet-level meetings between Tokyo and Taipei.

During the first formal bilateral meeting since Japan switched its diplomatic ties from Taiwan to China in 1972, the Taiwanese minister asked Hashimoto to visit Taiwan when he has time, according to Japanese officials.

In the interview, Chiang downplayed the significance of his meeting with Hashimoto, saying, "It was not the first time for Japan and Taiwan to hold a ministerial meeting."

Chiang was referring to his "brief chat" with then Japanese Trade Minister Hiroshi Kumagai during the first informal APEC summit in Seattle last November.

Chiang is in Osaka to attend a two-day APEC conference from Saturday on small companies, which is chaired by Hashimoto.

Saturday's Hashimoto-Chiang meeting triggered strong criticism from China, which regards political actions between Tokyo and Taipei as a violation of the joint statement signed by China and Japan in 1972.

The statement says Japan recognizes the People's Republic of China as the legitimate government of China and Taiwan as an integral part of China's territory.

In a press conference Saturday, Chinese State Economic and Trade Commission Minister Wang Zongyu said, "China adamantly opposes any meeting between Taiwan and countries which have diplomatic relations with China."

"The Taiwanese issue is an issue that is related to the sovereignty of China and also related to the sentiment of the Chinese people," Wang said.

PRC Official Criticizes Tokyo

*OW2310104094 Tokyo KYODO in English 1025 GMT
23 Oct 94*

[By Keiji Urakami]

[FBIS Transcribed Text] Osaka, Oct. 23 KYODO—Beijing on Sunday [23 October] criticized Japan for its handling of Taiwan, apparently referring to its latest decision to meet with a Taiwanese minister.

"We strongly hope the host country copes carefully with this sensitive issue," a Chinese delegate said at a joint news conference after a two-day conference of the Asia-Pacific Economic Cooperation (APEC) forum on small businesses in Osaka.

On Saturday, Japanese Trade Minister Ryutaro Hashimoto met with his Taiwanese counterpart Chiang Ping-kun, breaking a 22-year freeze in cabinet-level meetings between Tokyo and Taipei.

"Any activity not in line with the principle of APEC we agreed upon will do harm to relations," said the Chinese delegate.

The delegate was at the news conference in place of State Economic and Trade Commission Minister Wang Zongyu. At the same news conference, a Taiwanese minister was present.

"As long as the activity of the minister (Hashimoto) on Taiwan is strictly in line with APEC, we have no objection," the Chinese delegate said.

But he warned against any action beyond that scope, saying, "This is the last thing we want to see."

Commenting on current ties between Tokyo and Beijing, the delegate said they have "enjoyed very good relations since normalization."

The Hashimoto-Chiang meeting marked the first cabinet-level meeting between Japan and Taiwan since Tokyo switched its diplomatic ties from Taiwan to China in 1972.

The latest remarks by the Chinese delegate were also apparently designed to counter a comment by Chiang earlier Sunday, which showed Taiwan's strong enthusiasm to have its president visit Japan.

Chiang said in an interview with KYODO news service that a visit to Japan next year by Taiwanese President Li Teng-hui is "a unanimous wish" of the Taiwanese people.

"The president's attendance at next year's informal APEC summit in Osaka is the wish of the Taiwanese people—of all the Taiwanese people," Chiang said.

Saturday's Hashimoto-Chiang meeting triggered strong words from Beijing, which regards political actions between Tokyo and Taipei as a violation of the joint statement signed by China and Japan in 1972.

The statement says Japan recognizes the People's Republic of China as the legitimate government of China and Taiwan as an integral part of china's territory.

A member of the Chinese delegation attended the joint news conference instead of State Economic and Trade Commission Minister Wang Zongyu, head of the delegation to the Osaka meeting.

The reason for Wang's absence was not known.

Hashimoto, APEC Ministers Attend Trade Fair

*OW2410042094 Tokyo KYODO in English 0400 GMT
24 Oct 94*

[FBIS Transcribed Text] Osaka, Oct. 24 KYODO—The first Asia-Pacific International Trade Fair (APEC Fair) and the Global Business Opportunities Convention opened Monday in Osaka, officials said.

The Osaka Chamber of Commerce and Industry holds the business opportunities convention every year. The Asia-Pacific Economic Cooperation (APEC) forum and the Ministry of International Trade and Industry are jointly sponsoring the APEC fair. More than 900 people from some 50 countries and regions are expected to take part in the two events, the officials said.

At the opening ceremony, International Trade and Industry Minister Ryutaro Hashimoto expressed hope that the success of the trade fair, involving business talks, will be a foundation stone for a more prosperous Asia-Pacific region. Taiwanese Economic Minister Chiang Ping-kun and other ministers and businesspeople from overseas attended the opening ceremony.

Japan

U.S. Defense Secretary Perry Arrives in Tokyo

OW2110143694 Tokyo KYODO in English 1430 GMT
21 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 21 KYODO—U.S. Defense Secretary William Perry on Friday [21 October] evening arrived at Tokyo's Haneda airport on a flight from Seoul.

Perry is scheduled to meet with Foreign Minister Yohei Kono and Defense Agency Chief Tokuichiro Tamazawa on Saturday. He is expected to discuss the situation on the Korean peninsula following a landmark nuclear accord between the United States and North Korea, government officials said. The Tokyo visit is the final leg of a trip which has taken him to China and South Korea.

Perry, Kono, Tamazawa Meet

OW2210034794 Tokyo KYODO in English 0331 GMT
22 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 22 KYODO—U.S. Defense Secretary William Perry and Japanese cabinet ministers agreed Saturday [22 October] morning that Japan, South Korea and the United States will maintain close cooperation in implementing the nuclear accord between the U.S. and North Korea Friday, Japanese officials said.

Perry, who stopped by in Tokyo after visiting China and South Korea, held separate meetings with Defense Agency Chief Tokuichiro Tamazawa and Foreign Minister Yohei Kono at a Tokyo hotel to discuss the new nuclear accord signed between the U.S. and North Korea in Geneva on Friday.

Perry and the Japanese ministers agreed that it is important to maintain a close partnership among Tokyo, Seoul and Washington in implementing the latest accord, the officials said.

During the hour-long meeting with Kono, the U.S. side supported the Japanese foreign minister's proposal Friday to hold a working-level meeting soon among Tokyo, Seoul and Washington to discuss problems surrounding North Korea's nuclear program, Foreign Ministry officials said.

Kono suggested holding the meeting when he telephoned U.S. Secretary of State Warren Christopher Friday night.

Perry and Kono, however, did not agree on the specifics of the meeting, such as the date and location, the ministry officials said.

Kono reiterated Japanese support for the latest accord between the U.S. and North Korea and gave high marks to the "cautious, tenacious and firm" stance taken by Washington during the 17 months of negotiations with Pyongyang, the officials said.

Tamazawa also offered Japanese support, saying Japan's responsibility is increasing and that it intends to make its utmost efforts on the North Korean issue.

Perry and U.S. officials attending the two meetings told Kono and Tamazawa that China has supported the latest nuclear deal between Washington and Pyongyang, according to the officials.

Beijing gave its backing during Perry's visit to China, the U.S. side told the Japanese side, adding that China expressed the hope that the accord will be faithfully implemented.

Turning to Japan-U.S. security matters, Perry and Kono agreed that the two countries should discuss ways to ensure safety during U.S. military training exercises in Japan, the officials said.

The agreement follows the crash of a U.S. fighter plane in Western Japan this month. The body of one of the two U.S. Navy pilots has been recovered.

Tokyo 'Willing' To Resume PRC Talks

OW2210045994 Tokyo KYODO in English 0442 GMT
22 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 22 KYODO—Defense Agency Chief Tokuichiro Tamazawa told U.S. Defense Secretary William Perry on Saturday [22 October] that Japan is willing to resume meetings between defense leaders of Japan and China, which halted after the 1989 crackdown on pro-democracy demonstrators at Tiananmen Square in Beijing.

Tamazawa also told Perry that Japan and other neighboring countries of China have "anxiety about (the increase in) China's military forces, and a strong interest in the transparency (of China's defense budget)," Japanese officials said.

Perry said he told Beijing leaders that China's exports of missile technology to Iran and Pakistan, and the issue of human rights stand in the way toward promoting U.S.-China defense cooperation.

According to the U.S. defense chief, Chinese officials said Beijing will continue nuclear testing until 1996, but has no intention of threatening neighboring countries.

Bentsen 'Backpedals' on Currency Intervention

OW2210000394 Tokyo KYODO in English 2303 GMT
21 Oct 94

["Bentsen Backpedals, Says U.S. Will Support Dollar"—KYODO headline]

[FBIS Transcribed Text] Washington, Oct. 21 KYODO—Treasury Secretary Lloyd Bentsen said Friday the United States is prepared to intervene in foreign exchange markets in support of the flagging

dollar. Bentsen also sought to dissolve speculation that the U.S. has tacitly allowed the dollar to fall, saying "We prefer a stronger dollar."

In a statement that represented a reversal of course and was aimed at reassuring the Group of Seven (G-7) partners, he said the U.S. has not changed its policy on exchange rates and is concerned about upheavals in exchange markets.

"We have demonstrated before with our G-7 partners that we are prepared to intervene in the exchange markets when appropriate. We are still prepared to do so," he said.

The statement came a day after Bentsen told reporters in Seattle that the U.S. has no intention of intervening in foreign exchange markets to fend off an assault on the dollar.

"Our policy on exchange rates has not changed. We are concerned about recent movements in the dollar. We are watching developments closely," Bentsen said Friday.

While asserting that "intervention can be an effective tool," Bentsen gave no indication about the timing of U.S. intervention or how much money the U.S. central bank [Federal Reserve Bank] is ready to throw into the market.

"We are not in the business of telegraphing our operations," he said.

Earlier in the day, U.S. Treasury Undersecretary Lawrence Summers also stressed in an interview with the Cable News Network (CNN) that the U.S. will intervene in exchange markets when it deems necessary.

Official on Resuming Aviation Talks With U.S.

OW2410093894 Tokyo KYODO in English 0926 GMT 24 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 24 KYODO—Japan will not respond to a U.S. call for resumption of deadlocked civil aviation talks until a dispute over a Japan airlines' request is settled, Vice Transport Minister Michihiko Matsuo said Monday.

Matsuo told reporters Japan will continue to seek U.S. approval of a request by JAL to inaugurate a new service between Honolulu and Sendai, northeastern Japan, before it will resume the negotiations.

He said the settlement of the JAL issue will lead to Japan's approval of a request by Northwest Airlines for an increase of six weekly flights, including a new route between the U.S. and Manila via Osaka.

Matsuo said Japan's holding of approval for Northwest Airlines' request is not in retaliation for the U.S. step against JAL.

Source on Government Procurement Talks With U.S.

OW2210011994 Tokyo YOMIURI SHIMBUN in Japanese 20 Oct 94 Evening Edition p 2

[FBIS Translated Text] At the last government procurement (of telecommunications and medical equipment) negotiations under the Japan-U.S. Economic Framework Talks, ministers of these two nations agreed to carry out the annual meeting to evaluate increases in the Japanese Government's procurement of foreign products by using objective criteria. However, on 20 October, it was learned that this bilateral meeting will be held "only" for the next six years until 2000.

A government source said the two nations will maintain "the government procurement accord," which includes measures to improve procurement procedures. However, regarding the annual evaluation meeting where the objective criteria—the most important point at issue during the past trade negotiations—will be used to measure the openness of the Japanese market, both nations also agreed to "make a final decision on whether or not to continue the meeting in 2000." This means the meeting will be terminated if Japan rejects its continuation.

Reaction to U.S.-DPRK Accord Signing Cited

Kono Phones Christopher, Han

OW2110134494 Tokyo KYODO in English 1335 GMT 21 Oct 94

[FBIS Transcribed Excerpt] Tokyo, Oct. 21 KYODO—Foreign Minister Yohei Kono phoned his counterparts in the United States and South Korea on Friday [21 October] evening to discuss the landmark nuclear accord between the United States and North Korea scheduled to be signed later in the day, Foreign Ministry officials said.

Kono separately called U.S. Secretary of State Warren Christopher and South Korean Foreign Minister Han Sung-chu to give Japan's support for the Geneva accord.

During the telephone conversations, Kono proposed holding working-level talks among Japan, South Korea and the U.S. at an "appropriate time," to discuss maintaining close cooperation on North Korea's nuclear problem, the officials said. Both Christopher and Han supported Kono's proposal for the talks, they said.

The three countries will discuss problems surrounding North Korea in general, they said, adding that they will not meet solely to discuss the problem of offering light-water reactors to North Korea to replace its graphite-moderated reactors. [passage omitted]

South Korean Foreign Minister Han told Kono that South Korea also welcomes the accord and that it is a result of close cooperation among Seoul, Tokyo and Washington.

Han was quoted as saying, however, the Geneva accord is only the "beginning" of the solution of North Korea's nuclear problem and that it is necessary to further maintain close cooperation among the three countries.

Kono Hails Nuclear Accord

*OW2110155594 Tokyo KYODO in English 1545 GMT
21 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 21 KYODO—Japan hailed the signing of a landmark nuclear accord between the United States and North Korea on Friday [21 October], saying it will help sweep away international suspicion over North Korea's nuclear development in the past, present and future.

Foreign Minister Yohei Kono told a press conference that Tokyo welcomes the Geneva accord and gave high marks to tenacious efforts by the U.S.

"The latest agreement is the result of honest discussions by the two countries," Kono said. "I sincerely hope that the accord will be faithfully carried out."

Kono especially praised North Korea's agreement to accept inspections by the International Atomic Energy Agency (IAEA) to probe past nuclear activities.

He also hailed the nation's agreement to freeze and eventually dismantle existing and partially constructed graphite-moderated reactors and reprocessing facilities and to abandon a nuclear development plan.

Kono said it is important to introduce light-water reactors to North Korea to replace its graphite-moderated reactors for the security of Northeast Asia, including Japan, and for the international nuclear nonproliferation system.

Japan will continue to maintain close contact with countries such as the U.S., South Korea, China and make utmost efforts to solve the nuclear issue, he said.

A Foreign Ministry official said Japan will participate in a multinational consortium to be set up "not too long from now" to provide the North with two light-water reactors.

The official, who spoke on condition of anonymity, brushed aside suggestions that South Korea and Japan will be the only countries making financial contributions to the consortium.

Editorial: Gallucci 'Too Optimistic'

*OW2210115594 Tokyo SANKEI SHIMBUN in
Japanese 19 Oct 94 Morning Edition p 2*

[Editorial: "Will the 'North' Give Up Nuclear Development?"]

[FBIS Translated Text] The United States and North Korea appear to have reached a "new Geneva accord"

on the issue of North Korea's suspected nuclear development. Should we welcome the accord with pleasure?

The contents of the accord are as follows: 1) North Korea will return completely to the Nuclear Nonproliferation Treaty (NPT); 2) the United States will provide assistance in North Korea's shift from its current graphite-moderated reactors to light-water reactors; 3) North Korea will allow the International Atomic Energy Agency (IAEA) to conduct special inspections of its two undeclared nuclear facilities; and 4) North Korea will store used fuel rods removed from the experimental reactor for the time being on condition that they will be shipped out of North Korea to a third nation; 5) liaison offices will be opened in the capitals of the two nations and 6) North Korea will resume the stalled North-South dialogue.

Robert Gallucci, U.S. ambassador in charge of North Korea's nuclear issue, hailed the accord, saying: "Both sides agreed in principle on verifying North Korea's past, current, and future nuclear development."

Looking at the "Geneva accord," however, the Kim Chong-il leadership appeared to have intended on using North Korea's nuclear development issue as the most potent means to patch up its relations with the United States. The United States has long asserted that North Korea should be made to give up its nuclear development. Will the United States be able to make North Korea "give up nuclear development" with that accord?

North Korea had rejected nuclear inspections by the IAEA, and last March, it declared that it was pulling out of the NPT. North Korea has since devised a special position of withholding its announced pullout from the NPT and employed tactics to win time by using the special status adroitly. We should not forget the fact that we have been betrayed by North Korea whenever the United States and North Korea have reached any agreement.

There are some unclear and doubtful points in the accord. First, the light-water reactors will be built before special inspections of the nuclear facilities are undertaken. Inspections of the two undeclared nuclear facilities in Yongbyon is the most important issue. If a certain moratorium is set, this would delay clearing up suspicions about North Korea's nuclear development. We cannot understand this arrangement.

The United States has maintained that the used fuel rods should be shipped out of North Korea to a third nation. According to the accord, however, "North Korea will be allowed to store them for the time being." We cannot understand this point. Many experts have pointed out the possibility that if about 8,000 fuel rods are stored as they are, they could cause fire and radioactive contamination.

We believe that North Korea will not renounce its nuclear development program. We think that Ambassador Gallucci's views were too optimistic. We do not

think that North Korea will renounce its nuclear development program after Kim Chong-il comes to power. We believe that North Korea will probably attempt another nuclear ploy in the future.

Newspapers Have 'Mixed Reactions'

*OW2210025794 Tokyo KYODO in English 0206 GMT
22 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 22 KYODO—Major newspapers in Japan gave mixed reactions to the nuclear accord signed Friday [21 October] by the United States and North Korea.

Of three leading dailies, the MAINICHI SHIMBUN gave the highest points to the accord, calling it "extremely historic" because it is the "first agreement on nuclear control in Asia."

While it admitted there are some criticisms of the agreement, saying it was "conceding too many things to North Korea," the paper said "the wisest way of negotiating [to negotiating] with North Korea is to reap an actual profit by saving (the North Korean) face and giving good cause."

The MAINICHI said the agreement should not be judged from the viewpoint of "who conceded" or "who won."

"It should be judged whether it contributes to making the Korean peninsula free from nuclear and the nonproliferation of nuclear weapons in Northeast Asia and its peace," it said.

The ASAHI SHIMBUN gave a less enthusiastic response. It said the agreement is "a production of compromise between the U.S., which tried to break through the situation, and North Korea, which wanted to protect the stability of its regime by improving relations with the U.S."

The ASAHI criticized the agreement because it "postponed (the realization of) the largest objective for both Japan and South Korea, inspection of North Korea's past nuclear weapons developments, for five years."

The ASAHI said "questions are left that (the agreement) may only benefit North Korea and whether (the agreement) can discourage North Korea from developing missiles and transferring energies for a military purpose."

However, the paper said "Despite the questions, we should give serious consideration to what kind of cooperation we can make for a new development in the Korean peninsula following a line of the basic framework agreement."

The ASAHI cited as a reason that "the agreement came when the (North Korean) new regime of Kim Chong-il set to start, therefore it could break the ice to open the country."

The YOMIURI SHIMBUN took the most severe view of the agreement, saying it is not "a solution by itself, but it makes a route for the destination of the final settlement of the nuclear issue and the establishment of diplomatic relations between the U.S. and North Korea."

"Essentially, the nuclear issue should have been solved by North Korea itself as its own responsibility," the YOMIURI said.

"On this point, there is dissatisfaction and questions about the contents of the agreement, but there is nothing but to say that it was unavoidable for a peaceful solution."

The YOMIURI also said, "The largest problem left is the future of the Kim Chong-il regime."

"Because of this, we must say that North Korea is still a factor that can make Northeast Asia unstable," the paper said.

"Japan needs to consider all possible developments and to cooperate not only with the U.S. and South Korea but with China as much as possible," it said.

Tokyo May Give \$800 Million for DPRK Consortium

*OW2110160194 Tokyo KYODO in English 1554 GMT
21 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 21 KYODO—The Japanese Government is considering providing some 800 million dollars to a planned consortium to assist North Korea's replacement of graphite-moderated reactors with light-water reactors, government sources said Friday [21 October].

Japan's planned share would account for some 20 percent of the 4 billion dollars required for the project by the consortium, tentatively known as the Korean Energy Development Organization (KEDO), they said.

South Korea is expected to provide the lion's share of some 70 percent of the total necessary funds to the consortium.

The Japanese Government plans to ask other major nations, including the United States, to put up the remaining 10 percent, the sources said.

The U.S. has demanded that South Korea and Japan entirely finance the North Korean nuclear conversion program, following a landmark nuclear accord between the Washington and Pyongyang. Washington has ruled out financial contributions of its own because of legal restrictions.

Further on Aid for Nuclear Conversion

*OW2210031294 Tokyo KYODO in English 0247 GMT
22 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 22 KYODO—Japan is planning to fund about 20 percent of the costs of

building two light-water nuclear reactors in North Korea under the agreement reached Friday [21 October] by Washington and Pyongyang, government sources said Saturday. The construction costs of the two reactors are estimated at 4 billion dollars, making 20 percent an estimated 800 million dollars.

In a historic nuclear accord signed Friday, the United States promised North Korea it would create an international consortium to help Pyongyang replace its graphite-moderated reactors with light-water reactors, which produce less plutonium.

South Korea, which is expected provide the light-water reactors, is likely to cover about 70 percent of the total costs. By sharing costs of 20 percent, Japan wants the remaining 10 percent to be shared by many countries, including the U.S., the sources said. However, Washington has already announced it wants Japan and South Korea to bear most of the 4 billion dollar costs.

A senior Foreign Ministry official said the money Japan will pay for the light-water reactors "has a characteristic that is totally different from the one of (Japan's) financial assistance during the Gulf war."

"This time, it is a matter of the security of our country, not international cooperation," the official said.

Prime Minister Tomiichi Murayama has already told U.S. President Bill Clinton that Japan will make a positive contribution to the international project, and the government plans to make the second largest financial contribution next to South Korea, the sources said.

However, Japan wants many countries to make financial contributions in order to create a definite international cooperation system to avoid nuclear proliferation, the sources said.

Another reason for the 20 percent figure is based on the prospect that most heavy oils to be given to North Korea as alternative energy resources during the construction of the reactors are likely to be provided by Japan and South Korea, they said.

Igarashi on Readiness To Aid Reactor Conversion

OW2210135794 Tokyo YOMIURI SHIMBUN in Japanese 22 Oct 94 Morning Edition P 2

[FBIS Translated Text] On the evening of 21 October, Chief Cabinet Secretary Kozo Igarashi held a news conference and touched on the issues of supporting the DPRK (North Korea) in converting its nuclear reactors into light-water reactors and of supplying energy alternatives. Igarashi stated: "It has been decided that an international organ will be formed to deal with these issues through cooperation among various nations. After confirming the signing (of the U.S.-DPRK accord), talks will be held among the countries concerned to discuss various problems, including concrete details of aid programs. We are ready to cooperate in this program." In

this way, he clarified Japan's stance on providing positive cooperation in supplying funds through an international consortium (supporting organization).

Officials 'Cautious' About Aid for DPRK

OW2310141394 Tokyo YOMIURI SHIMBUN in Japanese 22 Oct 94 Morning Edition p 7

[FBIS Translated Text] The United States and the DPRK (North Korea) signed a basic nuclear accord at high-level talks in Geneva on 21 October (local time), opening the way for relaxing tensions in East Asia. The Japanese Government and business circles are welcoming the accord. However, at the same time they have shown confused reactions. On the morning of 21 October, Masaru Hayami, chief secretary of Keizai-Doyukai [Japanese Association of Corporate Executives], welcomed the accord, saying: "I consider it important that it will help stabilize situation on the Korean peninsula, thus further flourishing the economies of South Korea and Japan."

It is certain that the United States will ask Japan to make a large financial contribution to efforts to help North Korea replace its graphite-moderated reactors with light-water models under the agreement. Concerning this, a top Finance Ministry official said: "Japan intends to bear some costs according to its ability." However, he was cautious against the idea of Japan funding about 30 percent of the costs for an international consortium to be created under the accord. He said: "At present, it is out of the question."

The Federation of Electric Power Companies thinks: "North Korea is said to accept reactors developed by South Korea. But it appears the country hopes to depend on Japan for technology" of light-water reactors. The federation intends to cooperate in building reactors if asked by the United States.

Kiyohiko Tanaka, director of East Asia Trade Research Institute which has been functioning as a liaison office for trade between Japan and North Korea, said: "I hope the relaxation of tensions and changes in North's political circumstances will help reactivate Japan's trade with and investments in North Korea, which have now virtually been frozen." Pointing out that North Korea hopes Japan will resume investment and trade insurance, which has been suspended because of DPRK's accumulated debts, Tanaka said: "There is a possibility that influenced by investments by South Korea, Japan will resume the insurance."

Tokyo, Pyongyang May Resume Talks in Near Future

OW2210154194 Tokyo KYODO in English 1435 GMT 22 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 22 KYODO—Vice Foreign Minister Kunihiro Saito said Saturday [22

October] Japan and North Korea may resume negotiations to normalize bilateral relations "not so far ahead into the future."

Saito told Japan Broadcasting Corp. (NHK) during filming for a program that Friday's nuclear agreement between the United States and North Korea would at least help better the "atmosphere" between Japan and North Korea. It is possible that Japan-North Korea talks could begin before North and South Korea resume their dialogue, Saito said.

The negotiations have been deadlocked since November 1992, when North Korea walked out of the talks in protest at Japan's requests to confirm the safety of a Japanese woman called Li Un-hye, who Tokyo believes was abducted by North Korean agents.

A top Foreign Ministry official, who spoke on condition that he not be identified, suggested Wednesday that Japan may shelve the issue of Li in a concession aimed at resuming the talks.

Ruling Coalition To Send Mission to DPRK

*OW2410093294 Tokyo KYODO in English 0853 GMT
24 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 24 KYODO—Leaders of the three ruling coalition parties confirmed Monday [24 October] that they will send a mission to North Korea at an early date to pave the way for normalization of ties between Tokyo and Pyongyang, coalition officials said.

The move came after the United States and North Korea signed an accord Friday to wrap up two years of talks to ease tension over Pyongyang's alleged push for nuclear weapons development.

At a meeting of the leaders of the ruling parties, leaders of the Liberal Democratic Party (LDP) proposed improving bilateral ties with North Korea under the current government of Prime Minister Tomiichi Murayama, the officials said.

Murayama's Social Democratic Party (SDP) has traditionally maintained friendly relations with North Korea's Workers Party of Korea.

Meanwhile, a government spokesman said the question of a Japanese woman who Tokyo believes was abducted by North Korean agents should not be shelved to resume the stalled normalization negotiations.

"It is not a question of whether or not it should be shelved in resuming the normalization talks," Chief Cabinet Secretary Kozo Igarashi said at a news conference, referring to alleged abduction.

"We have not set any conditions on the resumption of Japan-North Korea normalization negotiations," he said. "We are willing to resume the talks any time."

The normalization talks have been stalled since November 1992, when North Korea walked out in protest over Japan's requests to confirm the safety of a Japanese woman named Yi Un-hye.

Tokyo insists North Korean agents abducted the woman to use as a Japanese-language teacher for its intelligence agents.

Earlier Monday, Prime Minister Tomiichi Murayama welcomed the ruling coalition's plan to send a mission to North Korea.

"It is a welcome idea since it is no good for a situation like this to continue," he told reporters, referring to the decades-long lack of diplomatic relations with North Korea.

Vice Foreign Minister Kunihiko Saito told reporters Monday [24 October] the ministry had yet to receive any official notice about the planned trip to North Korea by ruling party officials.

The top Foreign Ministry official added, however, that the ministry is "not opposed" to the plan.

He said that ahead of the scheduled visit, the ministry wants to consult with the ruling parties on how to move forward on relations between Japan and North Korea.

Asked whether it is desirable for parliamentarians to visit a country which Japan does not hold diplomatic ties with, Saito said that generally speaking some cases prove to be useful while in other cases such a trip is undesirable.

Saito said it is "too early" for the mission to discuss details of assistance to replace North Korea's graphite-moderated reactors with safer light-water reactors, such as whether Japanese aid will be counted as part of its compensation to North Korea for Japanese colonial rule before and during World War II.

Murayama Welcomes Coalition Plan

*OW2410041194 Tokyo KYODO in English 0348 GMT
24 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 24 KYODO—Prime Minister Tomiichi Murayama on Monday [24 October] welcomed the ruling coalition's plan to send a mission to North Korea to clear the way for diplomatic normalization between Tokyo and Pyongyang.

"It is welcome because it is no good for a situation like this to continue," the premier told reporters, referring to the decades-long absence of diplomatic relations with North Korea.

Wataru Kubo, secretary general of Murayama's Social Democratic Party [Social Democratic Party of Japan-SDPJ], revealed Sunday the Liberal Democratic Party has proposed sending a delegation of the three ruling coalition parties to Pyongyang for a possible breakthrough in relations.

The move came after the United States and North Korea signed an accord Friday to wrap up two years of talks to alleviate tension over Pyonyang's alleged push for nuclear weapons development. Kubo stopped short of mentioning any time frame for the dispatch of the proposed tripartite mission.

A government spokesman reiterated Monday Tokyo is willing to resume any time the stalled negotiations for normalization of relations between Japan and North Korea. "We believe the door is not closed for Japan-north Korea normalization talks," Chief Cabinet Secretary Kozo Igarashi said at a news conference.

The normalization talks have been stalled since November 1992, when North Korea walked out in protest over Japan's requests to confirm the safety of a Japanese woman named Li Un hye, who Tokyo believes was abducted by north Korean agents as a Japanese-language teacher for its intelligence agents.

Chongnyon Leader Returns From DPRK Visit

OW2210141794 Tokyo KYODO in English 1404 GMT 22 Oct 94

[FBIS Transcribed Text] Narita, Japan, Oct. 22 KYODO—The head of the pro-Pyongyang General Association of Korean Residents in Japan (Chongnyon), who has been staying in North Korea since late April for treatment for a respiratory ailment, returned to Japan on Saturday [22 October].

Some 250 members of the association met Chongnyon Chairman Han Tok-su, 87, at Narita Airport, east of Tokyo, as he arrived there from Pyongyang via Beijing.

Han, who is also a delegate to North Korea's Supreme People's Assembly, was treated like a VIP and was always placed close to North Korean de facto leader Kim Chong-il at the funeral and series of memorial services for President Kim Il-song who died in July.

On Oct. 16, Kim Chong-il made his first public appearance since July 20 at a memorial service to cap the 100-day mourning period for his father.

Chongnyon Leader on Kim Chong-il

OW2310125494 Tokyo MAINICHI SHIMBUN in Japanese 23 Oct 94 Morning Edition p 3

[FBIS Translated Text] Han Tok-su, chairman of the General Association of Korean Residents in Japan (Chongnyon), who visited North Korea, returned to Japan on the night of 22 October aboard an All Nippon Airways jet bound for Narita Airport. Upon arrival, Han said: "All the people (of North Korea) hope Secretary Kim Chong-il will be given the highest posts of the state and the party. Their wishes will be carried out in the near future." In this way, he indicated that Kim Chong-il would be appointed general secretary of the Workers Party of Korea and chief of state in the foreseeable future. In reference to the U.S.-DPRK comprehensive

nuclear accord, Han expressed the strong hope for the improvement of relations between Japan and North Korea, saying: "I hope relations between North Korea and Japan will be improved by the Japanese Government's faithful acts."

Han left Japan for North Korea on 26 April for medical treatment. He was among those who stood on the rostrum at a mourning service for the late President Kim Il-song on 20 July. He also attended a memorial service on 16 October.

Cabinet-Level Meeting Held With Taiwan Minister

OW2210084794 Tokyo KYODO in English 0834 GMT 22 Oct 94

[By Keiji Urakami]

[FBIS Transcribed Text] Osaka, Oct. 22 KYODO—Japanese Trade Minister Ryutaro Hashimoto met his Taiwanese counterpart Chiang Ping-kun in Osaka on Saturday [22 October], marking the first cabinet-level meeting between Tokyo and Taipei in 22 years since Japan switched its diplomatic ties to Beijing in 1972. The meeting came after the recent storm of protests from China over a visit to Japan by a high-ranking Taiwanese official.

Hashimoto and Chiang are in Osaka to attend a two-day conference from Saturday evening of the Asia-Pacific Economic Cooperation (APEC) forum, which will bring together ministers in charge of assisting small companies from the 17 APEC members and Chile, which will formally join the forum in November.

Japan had previously refrained from ministerial meetings with Taiwan on Japanese soil, a stance apparently designed to ease Beijing's concern over possible developments in Japan-Taiwan ties.

Taiwanese Deputy Prime Minister Hsu Li-te recently visited Hiroshima to attend the opening ceremony of the Asian Games, prompting a barrage of criticism from China. Tokyo defended the visit, saying Hsu made the trip in his capacity as the head of Taipei's committee to bring the 2002 Asian Games to Taiwan.

Beijing claims political links between Tokyo and Taipei violate the Sino-Japanese joint statement signed in 1972, which says Japan recognizes the People's Republic of China as the sole legitimate government of China and that Taiwan is as an integral part of China's territory.

When Japan accepted a Taiwanese proposal for the Hashimoto-Chiang meeting, it said discussions will be held between the two ministers within the framework of APEC.

Outside Japanese soil, Japanese and Taiwanese ministers "briefly chatted" with each other when they attended the first informal summit of APEC in Seattle last November.

Trade Minister Invited To Visit

OW2210113694 Tokyo KYODO in English 1118 GMT
22 Oct 94

[By Keiji Urakami]

[FBIS Transcribed Text] Osaka, Oct. 22 KYODO—Japanese Trade Minister Ryutaro Hashimoto held an historic meeting with his Taiwanese counterpart Chiang Ping-kun in Osaka on Saturday, breaking a 22-year freeze in cabinet-level meetings between Tokyo and Taipei.

During the first formal bilateral meeting since Japan switched its diplomatic allegiance from Taiwan to China in 1972, the Taiwanese minister asked Hashimoto to visit Taiwan when he has sufficient "leisure time," Japanese Government officials said.

In a press conference after the 25-minute meeting, Chiang said, "I have already met (former Japanese Trade Ministers) Kumagai and Mori."

"A visit to Taiwan by Mr. Hashimoto would help increase benefits for Japan as well as deepen bilateral economic ties," Chiang said.

Hashimoto did not immediately respond to the invitation, Chiang said.

The meeting between Hashimoto and Chiang came after a recent storm of protests from China over a visit to Japan by a high-ranking Taiwanese official to attend the Asian Games in Hiroshima this month.

Hashimoto and Chiang are in Osaka to attend a two-day conference from Saturday evening of the Asia-Pacific Economic Cooperation (APEC) forum, which brought together ministers in charge of small companies from the 17 APEC members and Chile, a country formally to join the forum in November.

Japan has refrained from ministerial meetings with Taiwan on Japanese soil, a stance apparently designed to alleviate Beijing's concern over possible new developments in Japan-Taiwan ties.

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Tokyo defended the visit, saying Hsu made the trip in his capacity as the head of Taipei's committee to win the 2002 Asian Games to Taiwan.

The visit was seen as a compromise for Taiwan, which originally wanted to send its President Li Teng-hui to Hiroshima in line with an invitation extended by the Olympic Council of Asia (OCA).

The council finally retracted the invitation as Beijing threatened to boycott the Hiroshima Asian Games.

Beijing has claimed political actions between Tokyo and Taipei, like bilateral minister-level talks, violates the

Sino-Japanese joint statement signed in 1972, which says Japan recognizes the People's Republic of China as the legal government of China and Taiwan is an integral part of China's territory.

Japan, when it accepted a Taiwanese proposal for the Hashimoto-Chiang meeting, said the discussions would be held within the framework of APEC.

Outside Japanese soil, former Japanese Trade Minister Hiroshi Kumagai and Chiang "briefly chatted" with each other when they attended the first informal summit of APEC in Seattle last November.

Chiang was also said to have met another former Japanese Trade Minister Yoshiro Mori in Seoul.

Beijing harshly criticized Japan for holding the ministerial meeting with Taiwan.

Emerging from a meeting with Hashimoto, Chinese State Economic and Trade Commission Minister Wang Zongyu said, "China adamantly opposes any meeting between Taiwan and countries which have diplomatic relations with China."

"I understand Chiang came to Osaka to attend the APEC meeting on small companies while I read a newspaper article that Hashimoto has the same perception," he said.

"The Taiwanese issue is an issue that is related to the sovereignty of China and also related to the sentiment of the Chinese people," Wang said.

"China wants Japan to firmly observe the Sino-Japanese joint statement. China does not want to see any speeches or actions that would run counter to bilateral friendship," he said.

At the press conference, Taiwanese Economic Minister Chiang expressed the hope that the president of Taiwan will attend next year's informal APEC summit to be held in Osaka.

"Attendance at an APEC summit is equally open to each APEC member," Chiang said. "Taiwan wants to make efforts to achieve that visit although it involves problems," Chiang said.

"President Li, rich in learning and experience, is a great man. I am confident that if he attends the Osaka meeting, discussions there would be more fruitful," Chiang added.

On Taiwan's admission to the General Agreement on Tariffs and Trade (GATT), Chiang said Taipei has sought Japan's support.

Chiang was quoted as saying by the Japanese Government officials that Taipei is working hard to achieve early participation in GATT, including removal of auto import restrictions from Japan.

Hashimoto described the trade practice as "discriminatory" against foreign products, claiming it constitutes a violation of the GATT principle, the officials said.

On economic matters, Chiang said he asked Japan to cooperate further in promoting investment, technological transfer and human resources development.

This cooperation could help improve Taiwan's trade deficit with Japan, which has surged in recent years, and eventually achieve sustained economic growth in Taiwan, Chiang said.

Taiwan has experienced a high economic growth boom as Japan once did during the 1960s, but it is now suffering various economic and social problems such as the bursting of the "bubble" economy and pollution, Chiang said.

Taiwan Leader May Not Attend APEC

OW2210154894 Tokyo KYODO in English 1452 GMT 22 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 22 KYODO—A senior Foreign Ministry official said late Saturday Japan will not allow Taiwan's President Li Teng-hui to attend an informal meeting of the Asia-Pacific Economic Cooperation (APEC) forum to be held in Osaka next year.

He was commenting on Taiwanese Economic Minister Chiang Ping-kun's remarks made at a news conference in Osaka earlier in the day that Taipei hopes the president will attend next year's informal APEC summit in Osaka.

The Japanese Foreign Ministry official said Japan treats Taiwan as an economic representative of a region in line with rules set at last year's APEC summit in Seattle.

Chiang met Japanese Minister of International Trade and Industry Ryutaro Hashimoto on the occasion of their attendance at the APEC meeting on small companies in Osaka.

The Hashimoto-Chiang meeting represents the first ministerial meeting between Japan and Taiwan in 22 years.

The Foreign Ministry official said the meeting does not run counter to the Sino-Japanese joint statement signed in 1972, which says Japan recognizes the People's Republic of China as the sole legitimate government of China and Taiwan is an integral part of China's territory.

"The talks were held within the framework of APEC," the official noted.

Nikko Securities Affiliates With PRC Brokerage

OW2410104394 Tokyo KYODO in English 1011 GMT 24 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 24 KYODO—Nikko Securities Co., one of Japan's "big four" brokerages, said Monday [24 October] it has agreed on a

business affiliation with China's Southern Securities Co. in Shenzhen. Southern Securities is one of China's three state-run brokerage houses.

Under the agreement, the company said, the two partners will exchange information concerning stock trading and financing as well as management of assets in Chinese enterprises. Both companies will cooperate in holding seminars on stock trading and financing, the company said. A formal agreement will be signed Tuesday, the company said.

Cosmetic Firm Increases Penetration Into PRC

OW2210032794 Tokyo KYODO in English 0219 GMT 22 Oct 94

[By Geoffrey Murray]

[FBIS Transcribed Text] Beijing, Oct. 22 KYODO—When Susumu Sakata first visited China's major cities in 1980 to promote Japanese cosmetics, he saw only one woman wearing makeup during a two-week stay. Today, Chinese television commercials avidly promote the latest beauty aids and the average urban woman considers personal grooming a routine investment.

This, in turn, is opening up important business prospects for Japanese companies like Kose Cosmetics Corp., for whom Sakata currently works as general manager of its overseas division.

In Chairman Mao's day, many women reveled in neglecting their appearance to demonstrate their revolutionary credentials. Makeup was considered something of a hangover from the "old regime" of painted concubines, to wear it being a sign of a girl's loose morals.

The lack of paint went well with the drab unisex boiler suits that became a virtual uniform for every Chinese woman.

All that is now a distant memory. In southern China, the "Avon lady" has been selling cosmetics door-to-door for some years, with the U.S. cosmetics maker making inroads even into small towns.

The new glittering department stores springing up in the big cities like Beijing, Shanghai and Guangzhou all have their quota of glamorous, perfectly made-up sales assistants ready to give advice to the new breed of fashion conscious young urban women.

"The transformation of the Chinese cosmetics industry has been nothing short of revolutionary. I believe that it will take only 10 years or even less for the industry to achieve the same development that it took Japanese companies the past 30 years to achieve," said Sakata.

According to a recent issue of the CHINA TOURISM JOURNAL, cosmetics sales in 1980 totaled only 200 million yuan or slightly more than 23 million U.S.

dollars. Since 1984, annual sales have averaged 30 percent growth, so that sales in 1997 are expected to top 32 billion yuan, or 3.74 billion dollars.

But the domestic industry still lags behind its counterparts in Japan, the U.S. and Europe in quality and market reputation, Sakata said.

For one, China's technology for processing cosmetics materials is out-of-date, he said. Among more than 3,000 types of materials used by Western cosmetics industries, China possesses most but has the capability of processing only about 200.

Most of the materials used by Sino-foreign joint venture makeup producers currently are imported from the West.

This is not something that pleases the central government, which does not want to see the country's items like beauty aids dominated by foreign firms.

This is one reason why imported cosmetics and toiletries currently have import duties ranging from 150 to 300 percent, although these will probably be reduced before long to sweeten China's bid to reenter the General Agreement on Tariffs and Trade (GATT).

Two other areas that need further development are packaging and advertising.

According to Sakata, China still has a long way to go in grasping the necessity of beautiful wrappings to promote products, but he envisages the day when Kose's operations in Japan will import such materials from China.

Promotion is also handicapped by the lack of advertising media. Television advertisements remain somewhat primitive and slots are limited on state-run stations.

There are also very few women's specialist magazines that could promote cosmetics use, compared with the more than 300 in Japan.

Despite this, Sakata says China has the most attractive investment climate in the world, with an estimated 400 million women currently buying or wanting to buy high-grade cosmetics.

Kose, one of Japan's largest cosmetics companies, has seen its annual sales expand 30-fold in the past five years.

It established a joint venture with Kongfengchun, a 130-year-old cosmetics producer from Hangzhou, Zhejiang Province, and has gradually built up its investment.

Company sales reached just over 4 million dollars in 1993, and a 20 percent increase is targeted for this year.

Kose has gradually increased market penetration with the establishment of sales outlets in Beijing, Shanghai, Tianjin, Chengdu, Shenyang, Nanjing and Xinjiang.

The latest was in Beijing, opened last month, with the mission of opening up new markets in the relatively untapped areas of northern China.

Defense Chief Urges End to UN PKF Participation

OW2210143794 Tokyo TOKYO SHIMBUN in Japanese 21 Oct 94 Morning Edition p 2

[FBIS Translated Text] The House of Representatives' Special Committee on Security held its session on 20 October. At the session, Director-General Tokuichiro Tamazawa of the Defense Agency touched on the issue of the suspension of Japan's participation in the UN peacekeeping forces (PKF), as stipulated in the UN Peacekeeping Operations Cooperation Law, and said: "Based on precious experiences gained from the past PKO dispatches, we would like to study various possibilities, including the possibility of lifting the suspension." Thus, he indicated his positive approach towards lifting the suspension on PKF participation.

Igarashi Supports Joining UN Military Body

OW2210165194 Tokyo MAINICHI SHIMBUN in Japanese 21 Oct 94 Evening Edition p 1

[FBIS Translated Text] At a news conference on the morning of 21 October, Chief Cabinet Secretary Kozo Igarashi made remarks supporting a view indicated by a Foreign Ministry bureau chief at a recent Diet session that Japan's participation in the UN Military Staff Committee [MSC] "will not run counter to the constitution." Japan's participation in the committee has been argued for in connection with the issue of Japan becoming a permanent member of the UN Security Council [UNSC]. Igarashi had initially maintained that "it is not time to discuss the matter." However, at the news conference, he officially indicated that participating in the committee was constitutional. This official view may evoke much controversy.

At a House of Councilors' Budget Committee meeting on 18 October, Shunji Yanai, comprehensive diplomacy bureau chief at the Foreign Ministry, commented on Japan's participation in the MSC, which comprises the chief of general staff and representatives of UNSC permanent members. Yanai first said: "I am not in a position to give an official interpretation of the issue." But he presented his own view: "Japan's participation in debate on strategic guidance is different from participating in the use of force, which is banned by the constitution."

Officials Raise Doubts

OW2310123794 Tokyo YOMIURI SHIMBUN in Japanese 22 Oct 94 Morning Edition p 2

[FBIS Translated Text] Tsuruo Yamaguchi, director general of the Management and Coordination Agency,

raised doubts at a cabinet meeting on 21 October concerning a view of the Ministry of Foreign Affairs [MOFA] on Japan becoming a member of the United Nations' Military Staff Committee [MSC]. Finance Minister Masayoshi Takemura agreed with Yamaguchi. It came into the open that the Social Democratic Party of Japan [SDPJ] and New Party Sakigake [Harbinger], which assumed a prudent stance toward Japan's bid to become a permanent member of the UN Security Council [UNSC], are distrustful of and dissatisfied with the MOFA and its officials.

What Director General Yamaguchi questioned was a comment by Shunji Yanai, director general of the MOFA's Treaties Bureau, at a lower house budget committee meeting on 18 October. At the meeting, Director General Yanai commented on Japan's participation in the MSC when Japan becomes a permanent member of the UNSC, saying: "I do not think it is in violation of the Constitution."

Criticizing Yanai for the comment, Director General Yamaguchi openly expressed his dissatisfaction, saying: "Such a remark by a bureaucrat is inappropriate. He should be more careful." Finance Minister Takemura said: "That is quite right. Since the issue of becoming a permanent UNSC member involves many constitutional issues, we must have the understanding of and cooperation from the people. It was an immoderate statement by the administrative authorities."

In response, Foreign Minister Yohei Kono said that "I understand your point very well," and no further complaints were made at the cabinet meeting. At a news conference held after the cabinet meeting, Director General Yamaguchi repeatedly criticized the MOFA, saying: "The MOFA one-sidedly prepared schedules when UN Director General Butrus-Ghali came to Japan. We should impose restrictions on the MOFA's unrestrained acts."

Ex-Defense Chief Interviewed on UNSC Seat

OW2410011294 Tokyo KYODO in English 2351 GMT 23 Oct 94

[By Takehiko Kajita]

[FBIS Transcribed Text] Tokyo, Oct. 24 KYODO—As a nonnuclear power and nonexporter of weapons, Japan should obtain permanent membership on the UN Security Council and take the lead in effecting a durable world peace, former Defense Agency chief Keisuke Nakanishi says.

"Japan should definitely become a permanent member of the UN Security Council," says Nakanishi, a member of the core opposition party Shinseito. The UN Security Council addresses major problems worldwide and makes decisions on how to deal with them, he notes, adding, "it makes a great difference whether or not one is in there."

Toucing on Japan's policies of not possessing, not producing and not allowing the entry of nuclear arms into the country, as well as of not exporting weapons, Japan is entitled to take the initiative in pushing for world peace efforts.

The five permanent members of the powerful UN Body with veto power—Britain, China, France, Russia and the United States—are the victors of World War II. They are all nuclear powers and exporter of weapons.

Nakanishi, who served as chief of the Defense Agency under the government of former Prime Minister Morihiro Hosokawa and a close aide to opposition leader Ichiro Ozawa, also lambasted the politicians within the ruling coalition who are circumspect on Japan's possible entry on the council as a permanent member. "They are only advocating isolationist pacifism and a policy of pursuing the prosperity of Japan alone," he asserts.

Brushing aside an argument that Japan can help resolve a number of challenges facing the world without gaining a seat on the council, he also observes Japan will be able to play a greater role if it is a permanent member of the body. "It is more effective if Japan is there and tackles such tasks," he notes.

Concerning Japan's participation in UN-sanctioned peacekeeping missions, Nakanishi points out that Japan's 1947 constitution did not envisage the dispatch of Self-Defense Forces (SDF) personnel abroad. A bill enabling SDF personnel to take part in UN Peace efforts abroad became law in 1992 after years of debate over whether such a role is acceptable under the pacifist constitution, which bans the use of force in resolving international disputes.

However, it is still a question in relation to the constitution on what contributions Japan can make when participating in UN peacekeeping activities. Nakanishi believes it is urgently needed to review the constitution so it can better reflect the changing times and international situation.

He stepped down as Defense Agency chief in December 1993 over his remarks that the constitution should be reviewed to broaden the nation's engagement in UN Peacekeeping efforts, because it was created about half a century ago and does not necessarily reflect the times. "The constitution is a key guidepost for the people's life," Nakanishi says. "We should constantly examine it so it can adapt to new global trends."

Malaysian Prime Minister on Bid for UNSC Seat

BK2210130794 Kuala Lumpur Voice of Malaysia in English 0600 GMT 22 Oct 94

[FBIS Transcribed Text] The prime minister, Datuk Sri Dr. Mahathir, says he will support Japan's bid to become a permanent member of the United Nations Security Council [UNSC], but on two conditions. One would have to be in the context of a total restructuring of the

UN, and secondly, Japan must be as responsible as other members of the council with regard to the duties of the UN worldwide. This means Japan cannot focus mainly on this area. Japan must also be prepared to participate fully including military participation in UN duties.

Datuk Sri Dr. Mahathir was speaking at a news conference in Oita City in Japan. The prime minister also said that Malaysia might reconsider its stand not to borrow yen from Japan if such loan was dominated in currencies that were more stable relative to the Malaysian ringgit. He said there was a likelihood that the yen would appreciate further even up to 70 yen to the U.S. dollar. At present, it is around 96 to the dollar. At that stage, the burden for Malaysia would be even greater.

Dr. Mahathir is on a five-day visit to three prefectures in Kyushu, one of the four main islands in Japan. Earlier, he delivered a keynote address at the inaugural Asia Kyushu Regional Exchange Summit which brought together some 700 businessmen and local government officials from Australia, China, Indonesia, Japan, South Korea, Malaysia, the Philippines, Thailand, and Vietnam. The one-day meeting organized by the Oita Prefecture government is aimed at enhancing economic and cultural cooperation at regional level.

Malaysia's Mahathir in Fukuoka

BK2410134394 Kuala Lumpur Radio Malaysia Network in Malay 1300 GMT 24 Oct 94

[FBIS Translated Excerpt] Prime Minister Datuk Sri Dr. Mahathir Mohamed has told Malaysian newsmen in Fukuoka, Japan that the government will consider releasing the banned Al-Arqam movement leader, Ashaari Muhammad, from detention if his recent confession was sincere. He said that he would have to carefully examine the confession first before he can make a decision.

On the East Asia Economic Caucus [EAEC], Dr. Mahathir said Japan has shown interest in the caucus. [passage omitted]

Auto Parts Meeting Set With European Firms

OW2110145194 Tokyo NIHON KEIZAI SHIMBUN in Japanese 19 Oct 94 Evening Edition p 2

[By Jun Hishita]

[FBIS Translated Text] Brussels, 18 Oct—The Japan Automobile Manufacturers Association and the European Auto Parts Industrial Association (LCEPA) [expansion unknown] announced on 18 October they would start a cooperative program designed to promote the purchase of European parts by Japanese automakers. A special meeting will be held in Paris in March next year to explain Japanese manufacturers' strategies for purchasing auto parts. Japanese makers will also be available for individual business negotiations at the meeting. After the meeting, both sides will continue to hold

similar meetings at regular intervals. At governmental negotiations, the United States has been urging Japan to buy auto parts. However, business circles in the European Union (EU) are aiming to expand sales of auto parts to Japanese makers by introducing more flexible methods led by the private sector.

The cooperative program was mapped out by obtaining support from European committees and the Ministry of International Trade and Industry. Eleven Japanese manufacturers and some 300 to 400 EU parts makers are scheduled to attend the Paris meeting. In addition to explanations of the overall program, there will be enough time to start new business negotiations at the meeting. They want to make the meeting a "venue for starting new business," (according to the LCEPA).

The LCEPA and the European Community are drawing a line between their method of selling auto parts and that of the United States, which seeks to set objective criteria, saying that "no concrete targets will be set" by them.

Japanese automakers' factories—including Toyota Motor Corporation, Nissan Motor Co. Ltd., and Honda Motor Co. Ltd.—in Europe are increasing their parts procurement from European manufacturers. The ratio of local content on a value-added basis is about 80 percent. To expand local content the Japanese manufacturers plan to ask European makers to further improve the quality of parts they produce and to form a flexible supply system. Japanese manufacturers will stress such views at the meeting.

The amount of European auto parts exported to Japan is hovering around 260 million ECU's (1 ECU equals 25 yen) as of 1992. The LCEPA is saying: "The Japanese yen is strong against the European currency. We hope Japanese companies will expand purchases of our parts in the future."

There are about 3,000 auto parts makers under the influence of the LCEPA. Some representatives of Japanese car makers point out that "European parts and technologies are better than those of the United States."

Government Decides on Bills To Prepare for WTO

OW2410094494 Tokyo KYODO in English 0929 GMT 24 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 24 KYODO—The government decided Monday [24 October] on bills to partially revise the law governing tariffs in preparation for ratifying a global pact to create a new global trade body called the World Trade Organization [WTO], officials said. Under the Uruguay Round trade agreement, the WTO is to be formed on Jan. 1, replacing the General Agreement on Tariffs and Trade.

The bills include those designed to raise tariffs on some agricultural products such as wheat, now subject to import restrictions, the officials said.

The trade agreement calls for converting into tariffs nontariff barriers to agricultural products, such as import bans and restrictions.

Government Finalizes 'Sweeping' Farm Package

OW2210003594 Tokyo KYODO in English 0004
GMT 22 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 22 KYODO—Japan finalized a package of sweeping domestic farm reforms early Saturday [22 October] with huge budgetary appropriations of 6 trillion yen or more in light of the partial opening of the rice market in the six-year period from next year, government and ruling coalition officials said.

The package will pave the way to the country's ratification of the World Trade Organization (WTO), a new world trade watchdog to replace the General Agreement on Trade and Tariffs (GATT), according to the officials.

The agreement was made after tough-going negotiations between Prime Minister Tomiichi Murayama's cabinet and leaders of the coalition parties over budgetary allocations to the farm sector in the next fiscal year starting April 1, 1995. The negotiations continued into the early hours of the morning.

A task force of the cabinet and the coalition parties, headed by Murayama, is set to formally approve the nine-point domestic farm reform program Tuesday. The largest of the programs is a 3.55 trillion yen allocation to public works to improve agricultural infrastructure, such as water and drainage, roads and other public welfare facilities.

The other measures includes a fund to reduce interest rate payment on debts held by farmers, loans to recruits in the farm sector, grants to local governments in farm-dominant mountainous areas and soft loans to help increase the scales of farmland acreages, the officials said.

Agriculture, Forestry and Fisheries Minister Taichiro Okawara, who is also a senior member of the Liberal Democratic Party (LDP), told reporters Saturday, "the (6 trillion yen or more) package will remove fears among Japanese rice farmers for collapse in the wake of the partial market-opening."

Along with the more than 6 trillion yen allocated for the reforms package, a total of 1.2 trillion yen will be allocated over the next six years, starting with 200 million yen in the next fiscal year budget, to help revitalize local economies dependent mainly on farm revenues, the officials said.

Leaders of the ruling coalition parties, including Koichi Kato, chairman of the LDP Policy Research Affairs Council, had been stepping up calls for the additional budgetary allocations to follow an initial proposal by the tight-fisted Finance Ministry to allocate only 3.5-trillion yen to the farm reform package.

The cabinet will work out a draft of the budget for the next fiscal year to submit it to the Diet for debates next year, after budgetary negotiations have taken place between government agencies and ministries.

The coalition parties—the LDP, the Social Democratic Party (SDP) [of Japan—SDPJ] and New Party Sakigake [Harbinger]—have a majority of seats in the House of Representatives, with a margin of 295 to 214. The lower house is given priority over passage of the budget bills.

The biggest camps in the coalition—the LDP and the SDP—had been opposing the liberalization of the domestic rice market on the grounds of food security, calling for 100 percent self-sufficiency in a staple food like rice.

Together with the small New Party Sakigake, the LDP and the SDP are expected to announce their farm policy reversal to allow partial opening of the rice market on Monday, as the sweeping package, abundant with subsidies to farmers, is formalized.

The cabinet will submit to the Diet the same day five bills for ratification of an accord last year on the Uruguay Round of multilateral trade liberalization talks.

These will include a new food law to replace the present staple food control law, under which production of distribution of rice comes under tight government control, having the effect of prohibiting imports of rice.

'Highlights' of Farm Reform Package

OW2210013294 Tokyo KYODO in English 0119 GMT
22 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 22 KYODO—The following are highlights of a package of sweeping domestic farm reform measures finalized by Prime Minister Tomiichi Murayama's cabinet and the three coalition parties on Saturday [22 October]. Brackets show budgetary appropriations in the coming six-year period.

- Public work expenditures for higher productivity in the farm sector and revitalization of farming in mountainous areas (3.55 trillion yen)
- Acceleration of projects to construct communal facilities (890 billion yen)
- Enlarging scales of farmland acreages (230 billion yen)
- Financial support to those who start farm enterprises (20 billion yen)
- Assistance to projects to improve farmland (260 billion yen)
- Soft loans to help develop new technology (5 billion yen)
- Funds to encourage farm factories for starch foods and fruit juices (170 billion yen)
- Establishment of a fund to help farmers in mountainous areas produce herbs and other plants (50 billion yen)
- Construction of transport networks in mountainous regions (3 billion yen)

- Conservation of mountainous farmlands (80 billion yen)
- Soft (2.5 percent interest rate per annum) loans to help farmers refund their debts (600 billion yen)
- Free-of-interest money to farmers in mountainous areas (170 billion yen)
- Pooling of money for assistance to events or projects in more than 2,100 villages and towns that depend chiefly on farming and fishing (1.2 trillion yen)

Political Analysts View Package

OW2210094294 Tokyo KYODO in English 0704 GMT
22 Oct 94

[“News Analysis”: “Coalition Secures Farming Votes With Protection Plan”]

[FBIS Transcribed Text] Tokyo, Oct. 23 KYODO—Securing votes from the agricultural sector seemed to be the driving force behind the coalition parties’ hard negotiations with the Finance Ministry to win huge funds for a sweeping domestic farm reform plan, political analysts said Saturday [22 October].

After days of tough talks with the reluctant Finance Ministry, the coalition parties finalized early Saturday a package of farm reform programs with a huge budgetary allocation of more than 6 trillion yen—a big jump from 3.5 trillion yen initially earmarked by the ministry. It was one of the rare examples of joint effort by the three coalition parties—the Social Democratic Party, the Liberal Democratic Party (LDP) and new party Sakigake [Harbinger]—since the administration of Prime Minister Tomiichi Murayama was established in late June, they said.

Koichi Kato, chairman of the LDP’s Policy Affairs Research Council, said earlier this week that the core of the reform plan—opening up Japan’s long-closed rice market—is a “historic” turning point equivalent to the 1946 redistribution of farmland holdings.

Another LDP member recently told reporters that poor handling of the issue would threaten the existence of each party in the ruling coalition as well as the fate of the Murayama administration.

“Those comments clearly reflect coalition parties’ concerns about losing votes from the agricultural sector,” in the face of the House of Councillors election set for next July and local government elections which are to take place in April, one of the analysts said.

The program for agricultural reform consists of fiscal measures to bolster the nation’s agriculture for six years from 1995 to 2000, in the light of the partial opening of Japan’s rice market next April as agreed under the Uruguay Round of multilateral trade talks.

Highlighted in the nine-point program are an allocation of 3.55 trillion yen to improve agricultural infrastructure, and funds to reduce interest rates on debts held by

farmers and on loans to those who want to start farming to encourage new recruits to the industry.

Talking to reporters after concluding the lengthy negotiations, Murayama stressed that the program was finalized with appropriate consideration for the opinions of all sectors concerned and the fact that agriculture is “the base of Japan.”

Some experts, however, said the consideration Murayama talked about was leaning too much toward the agricultural sector, as a result of strong lobbying by politicians within the coalition parties who favor the interests of farmers in order to win votes.

“Discussions over the reform package tended to center on how to help farmers, with how much money,” one expert said.

Matters such as what is really required to revitalize Japanese agriculture and improve benefits to consumers were not reflected in the reform program, he added.

FTC Moves Against Insurers Over Car Repairs

OW2410142194 Tokyo KYODO in English 1024 GMT
24 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 24 KYODO—Japan’s antitrust watchdog took its first step against the nation’s insurance industry Monday [24 October], accusing nonlife insurers of forming a cartel to set car repair fees.

The Fair Trade Commission issued a warning, one of its least stringent formal actions, to the Marine and Fire Insurance Association of Japan, saying it suspects the group of forming the cartel on setting fees for accident and other repairs.

Insurers apparently agreed among themselves to maintain fixed unit prices, which vary with the severity of damage and are multiplied by hours worked to determine charges to be paid to repair garages, the commission said.

The insurers essentially acknowledged having set the fees. The group’s chairman, Shunji Kono, said the insurers will “accept sincerely” the commission’s warnings and “make thorough efforts not to violate the law.” He said the system of setting repair fees “by maintaining repair costs at an appropriate level and promoting the industry’s efficiency, has benefited consumers by helping to secure fair and appropriate insurance payments and proper premiums.”

The car repair industry accused nonlife insurers of controlling the repair fee system by fixing the unit price, which each company is supposed to determine through negotiations with each repair shop.

“All the fees are left to the nonlife insurance companies,” said an official with a car body repair organization. “Each nonlife firm supposedly sets the fees individually, but they generally tend to line up.”

The claim that fees are determined individually "is a front," said another person connected with the repair industry. Industry sources say the insurers set rankings of repair firms, based on region, the shop's capabilities and other factors.

Car repair fees form part of the 3.3 trillion yen in annual payments to insurance companies by holders of voluntary car insurance, which is separate from Japan's mandatory auto insurance.

The issue of which practices violate the Antimonopoly Law is murky as some car insurance fees are to be set through individual negotiations, while in other parts the industry is exempt from cartel restrictions under the antitrust statute.

The Nonlife Association, grouping 26 insurers, was formed in 1946 to promote sound development of the industry and is involved in research and public relations for the industry.

Monday's warning is a relatively minor move by the commission, which is empowered to seek criminal indictments, and does not carry automatic surcharges that a desist order does. The commission issued 25 such warnings in fiscal 1993. But the warning is the commission's first such action against the insurance and finance industry, which is accused domestically and abroad of being a cloistered and exclusive sector.

It also pits the commission, long accused of being a toothless watchdog, against the powerful Finance Ministry, which has jurisdiction over insurance companies.

With commission chief Masami Kogayu vowing stricter enforcement of the Antimonopoly Law, the commission has recently made advances on the turf of other central government agencies by probing alleged bid-rigging on government-funded sewage and official development assistance projects.

FTC Criticizes Keiretsu Ties in Retail Industry

OW2110102794 Tokyo KYODO in English 0930 GMT 21 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 21 KYODO—The Fair Trade Commission (FTC) on Friday [21 October] warned against increasing ties between manufacturers and retailers in the same business groups as the trend may hamper competition in the retail industry. An FTC report said Japan's manufacturers have recently strengthened their connections with retailers in the same "Keiretsu" corporate groupings as a way to counter the growing offensive by discounters.

Manufacturers have assisted fellow-Keiretsu outlets by creating "model stores" to demonstrate how to sell their products effectively and by building information networks on sales and inventory, said the FTC.

Such assistance is provided to retailers who obey manufacturers' instructions on setting prices—a practice that

may violate the Antimonopoly Law by blocking retailers' sales of items produced by non-Keiretsu companies, the report said. The report thus underscored the need for manufacturers to clarify their standards for assisting retailers within Keiretsu.

Noting intensifying competition in the retail industry, with the growing emergence of discount stores in Japan, the report also proposed liberalizing business deals through relaxing regulations such as the law controlling operation of large-scale retail stores.

SDPJ Adopts Proposal on New Party After Debate

OW2210125794 Tokyo KYODO in English 0627 GMT 22 Oct 94

[FBIS Transcribed Text] Atami, Japan, Oct. 22 KYODO—After heated debate, Prime Minister Tomichi Murayama's Social Democratic Party (SDP) [of Japan, SDPJ] adopted Saturday [22 October] an amended proposal to found a new "democratic liberal party."

At an extraordinary meeting of the SDP Central Executive Committee, the party's leadership adopted a revised version of the proposal originally made by Secretary General Wataru Kubo, which says the SDP "must choose the correct timing" to establish the new party.

The original proposal came under fire at Thursday's meeting of the committee, with a group supporting Murayama strongly criticizing it as "promoting the SDP's dissolution."

The criticism led to a sentence being inserted into the original draft to stress the importance for the party "to be united and act as one under the ideal of social democracy."

The policy on election cooperation was also changed. While the original proposal emphasized cooperation with opposition parties, the amended one says cooperation with the SDP's partners in the ruling coalition, the Liberal Democratic Party (LDP) and new party Sakigake [Harbinger], is a "basic rule," although the party will also have "positive talks" with the opposition.

The SDP is split into those who put top priority on sustaining the current coalition government, and a group which seeks cooperation with the opposition to establish a new party of social democrats and liberals.

Kubo leads the latter group, which aims to found the new party to counter the LDP as well as an emerging new opposition party to be set up in December by all non-communist forces opposed to the ruling coalition.

SDPJ Forum Endorses Dissolution

OW2210131494 Tokyo KYODO in English 1224 GMT 22 Oct 94

[FBIS Transcribed Text] Atami, Japan, Oct. 22 KYODO—A meeting of officials of the Social Democratic Party (SDP) [of Japan, SDPJ], a ruling coalition

component led by Prime Minister Tomiichi Murayama, on Saturday [22 October] endorsed the idea of dissolving the SDP to form a new party of "social democrats" and "liberals."

SDP officials in charge of election measures met in the central Japanese spa resort of Atami and approved the idea proposed earlier this month by SDP Secretary General Wataru Kubo, the party's No. 2 man.

The forum approved Kubo's plans to found a new "democratic liberal" party although a number of participants objected to breaking up the party.

Kubo told the meeting that the formation of a new party is needed to counter the conservative forces by the time the next general election of the House of Representatives is held.

The current lower house term will continue until the summer of 1997 but a general election will be held earlier if the house is dissolved.

Kubo has said his proposed new party would counter the merger of most of Japan's opposition parties and groups into a single party, which will take place in December.

The Atami meeting also adopted an election strategy for the moment that the SDP will cooperate with its coalition partners—the Liberal Democratic Party and new party Sakigake [Harbinger]—as well as with some opposition parties in the House of Councillors election scheduled for next summer and the next lower house election.

Murayama Favors Proposal

*OW2410134494 Tokyo KYODO in English 1254 GMT
24 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 24 KYODO—Prime Minister Tomiichi Murayama on Monday [24 October] favored a proposal to dissolve his Social Democratic Party (SDP) [of Japan, SDPJ] to form a new "democratic liberal" party, an idea put forth by Wataru Kubo, the party's secretary general and No. 2 man.

"It depends on the situation, but gathering the forces of social democrats and liberals could mean forming a new party," Murayama told reporters.

He also said, "if the SDP loses its potential for future growth and needs to assemble social democratic and liberal forces, then it would be possible to dissolve the party."

SDP officials in charge of election measures endorsed the idea of founding the new party at a meeting Saturday, although a number of participants objected to breaking up the party.

The party is now split into two major groups—one supporting Murayama with priority on cooperation with the SDP's coalition partners of the Liberal Democratic

Party (LDP) and new party Sakigake [Harbinger], and the other which seeks cooperation with the opposition to establish a new party.

Murayama's comments were seen as his efforts to avoid a further dispute between the two groups.

The latter group supporting Kubo, headed by former party chief Sadao Yamahana, hailed the Saturday endorsement of the proposal for the new party at its meeting Monday [24 October].

"The conditions are now being met," said Yamahana. "It is our duty to create a party of citizens and workers and offer it to voters as a third party choice, not the LDP nor a neo-new party (to be set up by the opposition)."

In the meantime, Ichiro Ozawa, who leads a group of opposition parties preparing for a planned merger in December, welcomed the SDP's move to found a new party.

At a news conference in the Diet building, Ozawa, chairman of the action committee of the new party preparatory conference, said the new party the SDP is searching for "is not so different from what we are aiming at."

Ozawa, a co-founder of major opposition Shinseito [Japan Renewal Party], also said his group and the SDP had once joined hands "to add a new page to history in August last year," referring to the establishment of the coalition government under then Prime Minister Morihiro Hosokawa.

The remark indicates the new party of the opposition forces will seek cooperation with the SDP's new party.

Shinseito To Disband Ahead of 'Grand Alliance'

*OW2410134394 Tokyo KYODO in English 1257 GMT
24 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 24 KYODO—Shinseito [Japan Renewal Party], a core party in the 187-legislator opposition parliamentary group "Kaikaku" (Renovation), will disband Nov. 16 to integrate its lower house members into a grand alliance, officials said Monday [24 October].

A national convention to put an end to the party's 17-month history will be called on the same day, the officials said.

The plan will receive formal endorsement from the party's standing committee Tuesday, they said.

Shinseito is spearheading a drive to establish a new party of legislators of all noncommunist opposition parties in an attempt to strip the tripartite coalition of Prime Minister Tomiichi Murayama from power.

The new party is expected to be established later this year and other opposition parties have already committed to joining the new unified opposition force.

The national convention will be attended by some 400 national and regional deputies of the party, including Shinseito's 75 legislators from the lower and upper chambers of the Diet.

Shinseito was formed on June 1993 after dozens of Liberal Democratic Party legislators defected to form their own group, a move that sparked the collapse of then Prime Minister Kiichi Miyazawa's government and the end to the LDP's 38-year hold on power.

Murayama Urges Cutting of Corporate Taxes

OW2410050494 Tokyo KYODO in English 0454 GMT
24 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 24 KYODO—Prime Minister Tomiichi Murayama told the Diet on Monday [24 October] that Japan should reduce corporate taxes, saying he thinks they are too heavy.

The premier made the remark at the House of Representatives special committee on tax reform. The taxation rate on companies currently ranges up to about 50 percent for national and local taxes combined.

Murayama also urged the Diet to support government-proposed tax reform bills, reiterating that the reform will benefit middle-income families. The bills include a plan to hike the current 3 percent consumption tax to 5 percent in April 1997 and reduce income and residential taxes. Analysts have predicted earners with annual income of more than 6 million to 8 million yen would benefit most from the planned tax reform.

Murayama also said the establishment of local consumption tax, which is also included in the tax reform bills, is necessary for local governments to gain a new source of revenue. He said his government is making efforts to draw up by the end of the year a guideline to promote decentralization of power from Tokyo to local governments and will propose a bill based on the guideline to the next ordinary Diet session beginning in January.

Finance minister Masayoshi Takemura told the same lower house panel that the three-party coalition government is considering introducing a system of numbering taxpayers by early in the 21st century, which would make for fairer taxation.

Article Profiles Prime Minister Murayama

942A0698A Tokyo NIKKEI BUSINESS in Japanese
5 Sep 94 pp 90-93

[Article by Shoichi Saito: "Murayama Changes SDPJ by Breaking Taboos; Looks at Reality Squarely Without Being Caught Up in Ideology; Stops the Life of Being Constantly Supported by Those Around Him"]

[FBIS Translated Text] *He has led an unconventional life, supported by others in his ascent of the political stairway. He is not a politician like Noboru Takeshita, who took a stance of waiting strategically. He inherits the*

credo of former Chairman Asanuma of "learn from the people, among the people." His statements after becoming prime minister, including "Self-Defense Forces [SDF] constitutionality," "the role of unarmed neutrality is over," etc., are the challenge of the Murayama style that squarely faces reality.

"This child is strange."

Tomiichi Murayama's older brother Hideo remembers his mother, Kura, saying so. "He neither gets angry, nor does he fight with his siblings."

Younger brother Eiichiro also says, "Tomiichi was the only older brother with whom I played a lot. He was a kind, tolerant brother who never got angry." From his days as a youth, Murayama seemed to have a warm, friendly personality.

"He is a Very Truthful Person Who Always Kept His Promise; That Is Why I Was Able To Transcend Partisanship and Recommend Him

Even now, 60 years later, his friendly personality remains unchanged. In his home of Oita, nobody refers to Murayama as prime minister, or teacher. Even to this day, taxi drivers affectionately refer to him as "Tonchan."

"I've had Tonchan as a fare many times. He was just like a regular person. He carried an old briefcase and came running out alone."

His home in Chiyomachi in Oita City is a wooden single-storied structure located not too far from the business quarters. The doorway opens right out into the street. The eaves are tilted and there are cracks here and there in the walls, which are peeling. At the entrance, the door is slightly slanted, so it does not open with one try. It is a splendidly decrepid house rarely seen in these times.

In a supporters' association meeting, people say with an odd sense of pride, "The house was built 110 years ago. It is said that ordinary Dietmembers build a wall once they are elected for their second term, but that house has neither a wall nor a gate."

It seems that there should be at least one charming episode during his youth for the current prime minister.

However, former Oita Prefecture Deputy Governor Yutaka Kuwahara, an elementary school period classmate, says: "The fact is that he was a person who did not leave an impression on one."

"His grades were average, and he was not a class president. Even in sports he was unremarkable. When I ran races with Tonchan, we were both slow and I was happy because I didn't have to be last."

He was the sixth boy born in a family of eight brothers in a fishing village in the city of Oita. His father, Hyakutaro, operated a fresh fish brokerage for fishermen's boss.

According to Kuwahara, "Tonchan became an adult while retaining the feeling of his elementary school years," so even after becoming a politician, he did not act while holding up his own ideas. At each successive juncture, a person would appear to support Murayama for some reason. Unrelated to his own will, he ascended step by step as a politician backed by others. It is in that sense that he could be characterized as a rare breed of politician.

Even recently in the course of building the LDP-SDPJ-Sakigake [Liberal Democratic Party-Social Democratic Party of Japan-Harbinger] coalition, Murayama to the last just kept on shaking his head, saying, "I'm not the type of person who can do that."

Deepening their friendship during his days as Diet Affairs Committee chairman, Seiroku Kajiyama, who worked toward the establishment of the Murayama administration, exudes a trust that transcends partisanship: "He is faithful and always keeps his promises. Since the chairman of the Social Democratic Party of Japan [SDPJ] was Mr. Murayama, I was able to support him to become prime minister." In the eyes of Kajiyama, who has been able to cross swords with the relentless Diet Affairs zoku, Murayama's sincere political stance must have provided a fresh impression.

As one close to him, SDPJ Diet Policy Vice Chairman Yasuo Yamashita's appraisal of Murayama expresses it well.

"He is a person without greed, so people want to lift him up and give him a boost. This is rare thing in today's world. He is not the type who binds people together and pulls them along."

Koken Nosaka, construction minister of the same term who is a sworn friend also praises him: "He is liked by others and has no enemies. With Mr. Murayama, instead of bringing things together, things just come together. He has an uncanny charm."

Almost all the Dietmen of the SDPJ who are on friendly terms with him speak of Murayama using such terms as "rare" or "uncanny."

Since 27 When He Became a Candidate for City Council, He Has Made a Succession of Decisions While Supported by Those Around Him

Actually, about a year ago Murayama had made up his mind to retire from politics. The SDPJ has established a 70 year retirement system for Dietmen. Murayama, then 69, communicated his intention not to run in the next election to the supporter's association. However, because of the passionate recommendations of the group that supports Murayama to chairman, he was compelled to run.

His dream of wanting to live with and console his wife, who injured her lower back, rebuilding their run-down house built 110 years ago would have to be put off another term.

Murayama dislikes acting in a crowd. This is also a departure from the ordinary politician. And his being supported by the middle to leftist party while being a member of the Suiyokai [Wednesday Club] of the intra-party rightist faction is also because of the lighter impression of his factional affiliation. Until he became a candidate for the party Diet Policy chairman, there had been no clear Murayama support group.

People close to him within the party include Kazo Watanabe, director of General Affairs Bureau, in addition to Yamashita and Nosaka. About the only one among the party elders that supported Murayama as chairman in last year's race for chairman of the "Association to Promote True Political Reform" was Management and Coordination Agency Chief Tsuruo Yamaguchi.

Instead, Murayama tends to be well received by influential LDP Dietmen because of his good personality. In addition to Kajiyama, he is bound by a relationship of trust with Minister Ryutaro Hashimoto of the Ministry of International Trade and Industry [MITI], who was active with Murayama as director of Committee on Social and Labor Affairs.

Surprisingly, his connections as an SDPJ Dietman with top members of the labor world are also modest. Haruo Sato, secretary general of the All Japan Prefectural and Municipal Workers' Union central headquarters where Murayama got his start, is familiar with him merely by virtue of their being of the same province. Among economic figures, the only name that comes up is Zen-ichi Toyoda, international securities adviser who entered Murayama's alma mater, Meiji University, in the same year of 1943.

After assuming the prime ministership, all the newspapers in introductory columns giving Murayama's profile, introduced him in the same way: "When he became both Diet Policy Committee Chairman and SDPJ Chairman, he was supported by those surrounding him." However, his life of being supported in this way did not start during just those few years.

He entered the SDPJ in 1946 just after the World War II and began to promote democratic movements in the fishing village. However, he did not have a stable source of income. By recommendations of those around him, saying, "we must do something about Murayama's board," he became secretary in charge of public information of the Oita Prefecture Personnel Union in 1951.

"If you are to get on the city council, the Prefectural Personnel Union needs a good man." At the age of 27, he was chosen as a candidate for the city council race. Murayama declined just as he did when he was urged to run for prime minister. "I'm not suited to be a politician." However, because of the zealous recommendations of those around him, he ultimately resolved to run.

He lost his first election because of inadequate preparation. His debut as a politician was the second election in

the city council which he was also talked into at age 31. At this time as well, Murayama was not enthusiastic.

Reflects upper house member Sango Sato, who managed Murayama's elections starting with the city council race, "Tonchan refused, saying he is not the right man. In the end, I prevailed upon him, urging him to make a sacrifice for the organization called the Prefectural Personnel Union." He also says, "Even when it was time for him to go from the city council to the prefectural legislature, Tonchan initially refused because he was not suited to the task."

Without regard to his own will, Murayama, backed by the strong organizational votes of the All Japan Prefectural and Municipal Workers' Union, accumulated victories on the regional political stage, with two terms as city council member and three terms as prefectural legislator.

"I'm suited to being a local assemblyman. I'm not national Diet material." It was the summer of 1971 when the discussion about Murayama running for lower house was brought up. He was 47 years old.

In national politics, the Security Treaty had been completed in 1970, and negotiations for the return of Okinawa had become the focus of attention. It was the Sato administration era. In the general election two years earlier at Oita Prefecture SDPJ headquarters, two incumbents ran and both lost. The Prefectural headquarters which hoped to win at all costs narrowed it down to one person, supporting Murayama who was backed by big organizations and the All Japan Prefectural and Municipal Workers' Union.

Murayama repeatedly refused prefectural assemblyman Masumi Sato (formerly mayor of Oita City), who was given the job of persuader. It was probably partly because he was only halfway through his term in the prefectural legislature. In the end, he finally acceded saying, "if you will be election polling committee chairman, I'll do it."

When one looks at the road which Murayama has followed, one notices a pattern of passivity in which he is persuaded and won over. This is certainly not a ruse. However, there is a pattern in which he eventually makes a decision following the opinions of those around him. He is not a politician like Noboru Takeshita, who assumes a stance of waiting strategically until his supporters coordinate.

Outlook on War Impacted by Loss of Schoolmate; Pacifist Like Kajiyama, Gotoda, and Others

Murayama's eyes were opened to politics in 1943 right in the middle of the war. Murayama, who had entered Meiji University that year, was taken by his senior in the philosophy research association, Kaneyasu Marutani (former mayor of Ikeda-cho, Hokkaido, and former SDPJ upper house member), to a private school called "Shikanryo" located in front of the University of Tokyo.

Here he met Goichi Hozumi. Hozumi was the fellow pupil of Shinkichi Uesugi, who argued from the standpoint of the theory of Imperial authority with Takkichi Minobe, who advocated the Emperor-as-an-organ theory. They were critical of expansionism of the controlling faction militarists based on a scientific, rational analysis of the military situation. It is said that not only Murayama, but many students and people in mainstream society were captivated by his position.

Younger brother Yasuo, who studied under adverse circumstances along with Murayama, was surprised. "After his encounter with Mr. Hozumi, my literary-minded brother began to take an interest in politics. He started wearing clothes in the style of a desperado, with his hakama [men's divided skirt for formal wear] and geta [wooden clogs].

Murayama's starting point as one who always face reality and does not give himself up to ideology is probably influenced by the views based in the reality of Hozumi.

In September of 1944 Murayama entered the 23d Infantry Regiment of Miyakonojo City, Miyazaki Prefecture, and saw out the end of the war as a sergeant in the Kumamoto corps. For the 21-year-old Murayama, losing the war was a considerable shock. Murayama writes of his feelings at the time when he returned to the university after leaving the service in the "100 Year History of Meiji University," his alma mater.

"I as well as my fellow students were in a state of utter bewilderment for awhile and did not do anything. We were held captive by various troubling thoughts."

When considering Murayama the politician, one must not overlook the prevailing concept of war of his age. The year that he entered the university, the system of postponement of enlistment was abolished for students pursuing literature-related studies, and in October a send-off party for students going off to war was held in the stadium of the Outer Gardens of Meiji Shrine in Tokyo. This was a time when he saw off one of his class friends who voluntarily entered the service and lost his young life in a naval suicide unit.

As an experienced pacifist, Murayama shares a common interest with Kajiyama and Masaharu Gotoda. Along with their grudge against Ichiro Ozawa, their common ideas must have something to do with the recent major coalition of the LDP-SDPJ-Sakigake.

At the war's end, Murayama, who returned to his alma mater, immersed himself in the world of philosophy. Discussions concerning Marxism, which promoted social upheaval of the time and existentialism, which questions the nature of human existence were extensive.

The Murayama as Takeo Tezuka of the philosophy research association recalls was one who would always end up in the role of the hearer. According to him,

Murayama would often speak to him in the following manner when the argument came to just for sake of argument:

"In what way should the present world be changed? It is important to look at reality more."

Faced with the loss of the war, Murayama have further strengthened his way of looking at the real world.

Even after the war, when he returned to Oita and threw himself into democratization movement for fishing villages, his greatest concern was how to improve the lives of the fishing people.

Koichi Kureki, the first secretary general of the Oita Prefecture Fishing Village Young Men's League, reflects that "his way of thinking was extremely broad. He was not the type to accept the ideas of Communism from the start but was coming to grips with reality along the lines of social democratic doctrine."

Using the Method of "Disregarding Reputation and Reaping the Fruits," Objectives of SDPJ Realized One by One

While Murayama the politician does not behave in an aggressive manner of his own accord, his devotion which resembles loyalty with respect to the SDPJ is greater than normal.

The point of origin of Murayama as an SDPJ member who entered the party the year after the war's end can be traced back to 1948 when he accompanied Inajiro Asanuma (former SDPJ chairman), who was called the human locomotive, on a political speech-making trip to Kyushu.

In an interview with a certain newspaper company, Murayama once spoke of his encounter with Asanuma. "I rode with him in a freight train. I was strangely put at ease by the way he was sweating profusely and gulping down milk. He would go anywhere on request and deliver his passionate speeches. I was touched by the fact that he was content with honest poverty and his position of learning from the people, among the people."

This feeling became Murayama's own political credo. Even in the concluding remarks of his keynote address as prime minister, he used the expression that "I would like to emphasize my political credo of learning from the people, among the people," partly intending to include his feelings for Asanuma, who died before he could attain his wishes.

His attachment to the party is also related to the feeling that the SDPJ must not be split. Murayama had continued to refuse to run in the election to nominate a prime minister, but Tsuruo Yamaguchi triggered his decision, saying "your candidacy is the only way to bring the party together."

Secretary General Sato of the All Japan Prefectural and Municipal Workers' Union, when Murayama accepted

the prime ministership, heard him say that "if it will help the SDPJ, I can't let criticism bother me." The fact that he conquered the anticipated criticism and joined with the LDP was probably for the great cause that the SDPJ must not be split.

Murayama, supported by those around him, made it to the top of the political world, but Dietmen close to Murayama are unanimous on his "seeming transformation" since becoming prime minister.

Especially surprising to observers was his unequivocal reply that "the role of unarmed neutrality is over," which came on the heels of his "SDF constitutionality" statement amid representative questioning in the extraordinary session of the Diet. The issue of the constitutionality of the SDF was on the rough draft written by the SDPJ policy review staff on the day prior to questioning. However, his statement regarding unarmed neutrality was not on the draft.

Yamashita explains his transformation. "The fact that he endeavored to go that far in a reply that could have been avoided in a full session of the Diet had he wanted to show that it was after consideration of a long-term administration." Nosaka's assessment is that "the SDPJ has also changed because of Murayama's courage. He has changed the SDPJ by talking about SDPJ taboos."

After the SDF constitutionality statement, he set forth the policy of military reduction. In the fiscal 1995 standard estimated budget request, he quelled the resistance of the Defense Agency and held down the rate of increase in defense expenses to the lowest ever at 0.9 percent of the initial budget expense of the previous fiscal year. He is beginning to embark on realizing the objectives of the SDPJ amid political reality.

In the process of continued support from others, "discarding reputation and reaping the fruits," is probably the style of leadership that Murayama has devised on his own. The challenge of Murayama, who has gone from being representative of a single party to becoming prime minister of one nation, has only begun. (Honorific titles have been omitted throughout this article.)

Cabinet Approves New Food Control Law

OW2410093494 Tokyo KYODO in English 0819 GMT 24 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 24 KYODO—The cabinet approved a new law Monday [24 October] to replace the current Staple Food Control Law which has rly restricted the production and distribution of rice.

The new Food Control Law, presented to the Diet the same day, will be effective from April 1995 on matters concerning the partial opening of the rice market and will be effective from November 1995 on other matters, officials said.

Under the new law, only registration will be needed to engage in the shipment, wholesaling and retailing of rice, instead of appointment and approval from the government.

The distribution system is expected to be further eased through ministerial ordinances to be decided later, the officials said.

Rice stocks will basically consist of government-bought rice, while farmers will be free to sell rice that is currently regarded by the government as black market rice since it is not produced or sold under government control.

The auction system for free distribution of rice will be boosted, and a center set up to establish rice prices. Prices of government-bought prices will reflect the trend in free market rice, the officials said.

Food Imports Hit Record High in Jan-Jun 1994

*OW2410102794 Tokyo KYODO in English 0846 GMT
24 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 24 KYODO—Japan's food imports in the first six months of this year surged 17.9 percent year-on-year to hit an all-time high of 22.42 billion dollars, a semigovernmental trade organization reported Monday [24 October]. The Japan External Trade Organization (Jetro) said the food imports accounted for 17.7 percent of the nation's total imports, up from 16.1 percent in the same period last year. It said Japan's total imports in the six-month period grew 7.7 percent over a year earlier to 126.83 billion dollars.

Jetro said imports of fish and marine products accounted for 31.7 percent of the total food imports, followed by 16.8 percent for grain and 16.2 percent for meat.

The grain import share grew 4.6 percentage points from 12.2 percent a year earlier due to emergency rice imports to make up for a supply shortage caused by Japan's worst postwar harvest in 1993, it said.

The organization said food imports from Asia accounted for 37.1 percent of the total, followed by those from North America with 34.3 percent.

Imports from Western and Eastern Europe accounted for 9.5 percent and 1.9 percent respectively, Jetro said.

The organization said the United States remained the largest food supplier for Japan although its share dropped 1.6 percentage points to 29.3 percent.

China ranked second with a 10.8 percent share, followed by Thailand with 7 percent, Australia with 6.8 percent, Taiwan with 6.4 percent, Canada with 4.8 percent, South Korea with 3.3 percent, Indonesia with 2.8 percent, France with 2.2 percent and the Philippines with 2 percent.

Jetro said imports from Thailand recorded a 58.5 percent year-on-year growth rate, ranking first among major food suppliers.

China ranked second with a growth rate of 58.2 percent, followed by Indonesia with 24.5 percent, Australia with 22.8 percent and the Philippines with 19.9 percent, it said.

Imports from Taiwan and France dropped 10.5 percent and 7.1 percent respectively, Jetro said.

It said Japan's shrimp imports gained 15.5 percent over a year earlier to 1.79 billion dollars, with purchases from Indonesia, India and Vietnam remaining steady.

Beef imports recorded a double-digit rise, surging 23.1 percent to 1.38 billion dollars, with imports of frozen beef accounting for 57.7 percent of the total, up 5.4 points, the organization said.

Australia, the U.S. and New Zealand were the top three suppliers, accounting for 99.4 percent of the total, it said.

Jetro said rice imports totaled 2,004,000 tons worth 1.06 billion dollars.

Coffee imports soared 32.2 percent to 340 million dollars due to price rises resulting from a poor harvest worldwide, it said.

Imports of beer nearly doubled to 110 million dollars, with those from Canada increasing almost 12-fold due to a boom in so-called "ice" beer imported from the country, the organization said.

Reflecting growing demand in Japan, imports of orange juice totaled 80 million dollars, with Brazil and the U.S. accounting for 95.2 percent of the total, it said.

Jetro said vegetable imports climbed 29.1 percent to 1.31 billion dollars, and imports of perishables soared 51.3 percent in value and 62 percent in volume as supermarkets increased imports in expectation of supply shortages.

Government Agency Issues Public Servant Figures

*OW2110071894 Tokyo KYODO in English 0127 GMT
21 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 21 KYODO—The number of public servants rose by 7,000 over the last 10 years to 4.43 million in fiscal 1993 but their share in Japan's total work force dropped from 7.7 percent to 6.9 percent, the Management and Coordination Agency said Friday [21 October].

In a white paper that agency chief Tsuruo Yamaguchi submitted to a cabinet meeting on Friday morning, the agency insisted that the decline in public servants' ratio in the total labor force reflected efforts to make government operations more efficient. The Management and Coordination Agency was established in 1984 to ease government regulations and give greater autonomy to local governments.

North Korea**UN Urged To Pay Attention to Peace Proposal***SK2410050094 Pyongyang KCNA in English 0447
GMT 24 Oct 94*

[“U.N. Must Be True to Its Charter”—KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 24 (KCNA)—The Democratic People's Republic of Korea, in accordance with the idea of independence, peace and friendship, will remain faithful to the U.N. Charter and actively help the United Nations discharge its mission and role, says NODONG SINMUN today.

The paper in a by-lined article dedicated to the 49th anniversary of the day of the United Nations says:

To democratize the United Nations is of great importance in democratizing the international community so that all countries and nations may exercise their rights to independence on an equal footing in the international arena.

If the privileges and arbitrariness of some countries are allowed in the United Nations, the U.N. cannot deal with problems in a fair way. The principles of independence, equality and impartiality must be observed strictly in it.

However, regrettably, some problems are dealt with in favour of big and strong countries and to the disadvantage of small and weak ones in the U.N. this is an unsavory practice.

The membership of the U.N. has more than trebled in number since its inauguration. And its overwhelming majority is the nonaligned and other developing countries. The structural reform, therefore, must be carried out on their principle of properly reflecting the demands and interests of these countries. What is important here is that developing countries should take permanent seats in the U.N. Security Council.

In increasing the number of the permanent seats, it is important to examine the qualifications according to a strict standard and accept only those that reach the standard.

Japan is trying to become a permanent member without toning for her past crimes. She seeks in this to behave as a political power and establish her domination over the world, ignoring the interests of other countries. If such a country becomes a permanent member, the image of the U.N. will be impaired and the U.N. will not be able to perform its function and role under its Charter.

The United Nations is responsible for the division of Korea. The Democratic People's Republic of Korea, though a dignified member of the U.N., is technically in a warring state with the UN. Under this situation, the

United Nations must pay a due attention to the DPRK-proposed creation of a new peace mechanism and honestly fulfil its obligation for a fair solution to the Korean question in the sense of liquidating the abnormal past relations with the DPRK and implementing its resolution.

Further Reportage on Geneva Talks Agreement**Kang Holds News Conference***SK2310090894 Pyongyang Korean Central
Broadcasting Network in Korean 0600 GMT 23 Oct 94*

[Report on news conference by First Vice Foreign Minister Kang Sok-chu, head of the DPRK delegation to the DPRK-U.S. talks, following the signing of the agreed DPRK-U.S. framework at the DPRK mission in Geneva on 21 October—read by announcer]

[FBIS Translated Text] On 21 October, after signing the agreed framework [kibonhabuimun] between the DPRK and the United States of America, First Vice Foreign Minister Kang Sok-chu, head of the DPRK delegation to the DPRK-U.S. talks, held a news conference at the DPRK mission in Geneva.

Some 100 reporters from 20 countries—including the United States, Japan, Germany, France, Switzerland, and Russia as well as some 20 South Korean reporters—participated in the news conference.

At the news conference, the head of the delegation stated as follows:

The sincere and difficult DPRK-U.S. talks, which lasted for about one and a half years, have finally been concluded. Today, both sides signed the agreed framework between the DPRK and the United States of America on the overall resolution of the nuclear issue. This agreed document [habuimun] is one of the milestones in resolving the nuclear issue on the Korean peninsula, and is a document of historic significance. Here is reflected the concrete methods to fundamentally resolve the nuclear issue, which occurred due to the abnormal [pijongsangjogin] relationship between the DPRK and the United States. As such, since this is an important document, the heads of states of the two countries guaranteed this.

The dear Comrade Kim Chong-il, the supreme leader [choego chidoja] of the DPRK, received a letter from Bill Clinton, president of the United States of America, guaranteeing the provisions regarding the light-water reactor and the supply of alternative energy. President Clinton issued a directive to Gallucci, head of the U.S. delegation, to sign the agreed framework. The dear Comrade Kim Chong-il, the supreme leader of our party and people, issued a directive to me to sign the DPRK-U.S. agreed framework.

Both sides discussed in detail and reached an agreement on the issue of replacing our republic's graphite-moderated reactor with a light-water reactor; the issue of

normalizing political and economic relations between the DPRK and the United States; the issue of guaranteeing denuclearization, peace, and security on the Korean peninsula; and the issue of strengthening the nuclear nonproliferation system.

Since our just position and initiating proposals were sufficiently reflected to resolve the nuclear issue in the agreed framework, we positively assess the agreed document. The agreed document is a historic document that can dissolve the abnormal confrontational relations between the two countries, can create trust, and can contribute to peace and security on the Korean peninsula and in Asia.

In the agreed document, both sides reconfirmed the importance of adhering to the principles of the 11 June 1993 DPRK-U.S. joint statement and of fulfilling the goals stipulated in the 12 August 1994 DPRK-U.S. agreed statement in order to achieve denuclearization, peace, and security on the Korean peninsula.

The head of the delegation continued to explain in detail the content of the agreed framework, stating:

Through this opportunity, I would like to once again clearly manifest the essence of the nuclear issue on the Korean peninsula.

The nuclear problem on the Korea peninsula was generated because of the abnormal [pichongsangjogin] relations between the DPRK and the United States.

At present, some people talk about our nuclear activities, classifying them into three categories—namely, our present, future, and past nuclear activities. Our present nuclear activities are the 5-megawatt experimental reactor as well as the used fuel generated from this reactor. Our future activities are the 50-megawatt and 200-megawatt atomic reactors, which are currently under construction. These graphite-moderated reactors and relevant facilities being thoroughly built with the intended purpose of producing electric power.

Therefore, it is completely abnormal to create a nonexistent nuclear suspicion concerning them. As we have clarified many times, we have no capability for nor intention of nuclear development.

However, proceeding from a sincere wish to resolve the nuclear problem through DPRK-U.S. negotiations, we pointed out that to remove the nuclear concerns [haek uryorul], our graphite-moderated reactors could be replaced with light-water reactors.

In June, Comrade Kim Il-song, the great leader of our people, told former U.S. President Carter that guarantees of trust [silloe pojang] by providing light-water reactors are the essential method for solving the nuclear problem, and that if the United States provides light-water reactors, the graphite-moderated reactors—which are the focus of the nuclear concern—can be eliminated.

With the freeze of our present and future nuclear activities, so-called concerns about our nuclear development are completely dissolved.

A foundation is finally laid today to achieve the fruition of our just proposal for solving the nuclear problem by replacing our graphite-moderated reactors with light-water reactors.

In other words, the nonexistent concerns and suspicions have been turned into the provision of light-water reactors and the normalization of political and economic relations between the DPRK and the United States.

However, although we are to freeze our graphite-moderated reactor facilities, the physical practice [mull-ijogin silchonun] is to dismantle them only after the light-water reactor power stations come to our country and begin operation.

At present, some people talk about the issue of our past nuclear activities. However, the issue of past activities is no more than pure imagination [sunsu chusang] caused by the severe distrust [chitokhan pulsun] and extremely abnormal relations between the DPRK and the United States.

Talk about this and that as if there is something regarding our past activities is completely abnormal. However, the issue of our past activities, if such activities actually exists, is the issue of clarifying nonconsistencies [purilchi haemyong munje], which was once raised between us and the Internal Atomic Energy Agency [IAEA].

This clarification of nonconsistencies is the issue that was suspended owing to the extremely abnormal and complex situation existing between us and IAEA.

This is precisely the issue regarding our past activities, if there is an issue. Our position is to clarify nonconsistencies. The issue of when clarification of such nonconsistencies should be conducted was carefully discussed during the current talks. Since our past nuclear activities became an issue owing to the distrust between the DPRK and the United States, and to the U.S. policy of antagonism against the DPRK, the point when the clarification of nonconsistencies is to be put into practice should be decided according to the degree to which distrust and hostile relations between the two countries has been removed.

To put it concretely, our nuclear transparency will be guaranteed when a significant portion of the light-water reactor project is completed [kyongsuro taesangui sangdanghan pubuni sirhyondoeossulttae], and when DPRK-U.S. relations are normalized [kurigo chomi saiui kwangyega chongsanghwa toenun sigie kaso].

What I want to emphasize next is that our principled position [wonchikchok ipchang] and realistic proposal [hyonsiljogin pangdo] on resolving the nuclear issue has been concretely reflected [kuchejoguro panyong] in the

agreement [habuimun]. Since the first day the nuclear issue was raised, we have invariably adhered to the principled position that the nuclear issue should be resolved through the DPRK-U.S. talks.

Regarding the method to resolve the nuclear issue, we proposed a most reasonable and adequate proposal [kajang hamnijogigo tadanghan chean] to resolve the issue in one lump sum, thoroughly based on simultaneous actions [choljohi tongsi haengdonge kichohan ilgal tagyorui pangboburo], and have made every effort to achieve it.

We positively view the agreement [urinun habuimune taehae choke saenggakhago itta] because what we insisted upon and proposed has been fully reflected in it.

What is most important is that both sides will exactly implement [chonghwakhi ihaeng] what is specified in the agreement. We will make every effort to contribute to the denuclearization of the Korean peninsula and to the peace and security of Asia by sincerely implementing the items in the agreement.

I think there are many more things the United States, our dialogue partner, has to do than things we have to do as regards the agreement. We expect the United States will also display the greatest sincerity [choedaui songsil-songul parwhiharirago kidaehanun paida] in implementing the agreement, as promised, in concert with our sincerity [uriui songui hounghayo].

Answering questions posed by reporters, he stressed: With our people's unanimous sentiment, we address the dear Comrade Kim Chong-il in high esteem [nopi chonchinghago itta] as the supreme leader [choego chidoja] of the DPRK and as the great leader [yongdoja] of our party and people. The dear Comrade Kim Chong-il, the supreme leader of the DPRK, is the single successor [yuilhan hugyeja] of the great leader, and is recognized by and highly respected by the world.

In consideration of this and recognizing the reality, I think U.S. President Clinton used the title of esteem—Your Excellency Kim Chong-il, the DPRK's supreme leader—in his letter of assurance to the dear comrade leader.

Both sides agreed that when a significant portion of the light-water reactor project is completed, measures will be taken to verify our initial report through negotiations between the DPRK and the IAEA. It is impossible to predict exactly how many years it will take to achieve this. However, it will take a long time because the following must be completed: The signing of the contract six months from today; a survey of the site for building the light-water reactors; the construction of a lower structure [habu kojo], followed by the construction of the main building and annex buildings; and the provision of these facilities.

Robert Gallucci, chief U.S. delegate, says it will take about five years, and I agree with him. The recent talks

were thoroughly held between the DPRK aynd the United States for an overall solution to the nuclear problem. North-South dialogue cannot be regarded as being directly linked with the talks [yogie pungham taehwaga chikchop kwallyon toendagonun polsu optta]. Our position on North-South dialogue is invariable. As has already been shown by the agreed document [habui mungon], we will hold dialogue with the South when an atmosphere for promoting North-South dialogue is created by the DPRK-U.S. agreed framework [chomi kibon habuimune uihayo pungham taehwarul tomoohanun punwigiga chosong toenunde ttara taehwarul hal kosida].

KCNA Version of News Conference

SK2310083394 Pyongyang KCNA in English 0820
GMT 23 Oct 94

["DPRK Chief Delegate to DPRK-USA Talks Interviewed"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 23 (KCNA)—Kang Sok-chu, first vice-minister of foreign affairs, who was heading the delegation of the Democratic People's Republic of Korea, called a press conference at the negotiating room after the agreed framework between the DPRK and the U.S. was signed on the afternoon of October 21.

Stating that the sincere yet difficult DPRK-USA talks for nearly one year and a half have been concluded at last, he said:

Today the two sides signed the agreed framework between the Democratic People's Republic of Korea and the United States of America on an overall solution to the nuclear issue. This agreed framework is a milestone in the settlement of the nuclear issue on the Korean peninsula and a document of historical significance, which indicates concrete ways for a fundamental solution to the nuclear issue resulting from the abnormal relations between the DPRK and the U.S.

It is so important that the heads of state of the two countries gave assurances for it.

Bill Clinton, President of the United States of America, sent a letter of assurances for the provision of light water reactors and for arrangements for interim energy alternatives to dear Comrade Kim Chong-il, the supreme leader of the Democratic People's Republic of Korea. President Clinton instructed Gallucci, head of the U.S. side's delegation, to sign the agreed framework.

Dear Comrade Kim Chong-il, the supreme leader of our party and our people, instructed me to sign the agreed framework.

The sides had detailed discussions and reached an agreement on the replacement of the graphite-moderated reactors of our republic with light water reactors (LWRs), the normalisation of the political and economic relations between the DPRK and the United States, the

denuclearisation of the Korean peninsula and guarantee of peace and security there, and the reinforcement of the nuclear non-proliferation system. We affirmatively assess the framework agreement since it fully reflects our just stand and active initiatives for a solution to the nuclear issue.

The agreement is also a historical document conducive to the removal of abnormal hostile relations and confidence building between the two countries and to peace and security on the Korean peninsula and Asia.

The agreement says both sides reaffirmed the importance of upholding the principles of the June 11, 1993 joint statement between the DPRK and the United States and attaining the objectives contained in the August 12, 1994 agreed statement between the two countries to achieve peace and security on the nuclear-free Korean peninsula.

After explaining the content of the agreed framework, Kang Sok-chu said:

Availing myself of this opportunity, I am going to make clear once again the essential nature of the nuclear issue on the Korean peninsula.

This issue cropped up owing to the abnormal relations between the DPRK and the U.S.

Some quarters divide our nuclear activities into three categories in mentioning them.

In other words, they talk about the present, future and past of our nuclear activities. By the present activities, they mean the 5 megawatt experimental reactor and the spent fuel from it and by the future, they mean the 50 and 200 megawatt reactors now under construction, I think.

These graphite-moderated reactors and related facilities are entirely intended for the production of electric power.

It is utterly absurd to raise fictitious "nuclear suspicion" over them.

As we have declared more than once, we have neither capacity of nuclear development nor intention for "nuclear development" nor its "plan." However, out of the sincere desire to resolve the "nuclear issue" through DPRK-U.S. negotiation, we said it was advisable to replace our graphite-moderated reactors with light water reactors, if the "concern over the nuclear issue" was to be dispelled.

Comrade Kim Il-song, the great leader of our people, told ex-President of the United States Jimmy Carter in June that confidence-building through the provision of LWRs was the basic way for a solution to the nuclear issue and the graphite-moderated reactors, the source of nuclear apprehensions, could be dismantled, if the United States provided LWRs.

With the present and future of our nuclear activities frozen by us, the apprehensions for our so-called "nuclear development" have come to be completely defused. Our just proposal for a solution to the nuclear issue through the replacement of the graphite-moderated reactors with light water reactors now has a foundation for bearing a fruit. To make the long story short, the unfounded "apprehensions" and "suspicion" have given place to the provision of LWRs and the normalisation of political and economic relations between the DPRK and the U.S.

Though we are to freeze our graphite-moderated reactors and related facilities, however, their physical entities will be dismantled only when the whole light water power plants have been brought into the territory of our country and put into operation.

There comes from some quarters the talk about our past nuclear activities. But the past problem is a mere fiction. This stemmed from the deep distrust and very abnormal relations between the DPRK and the U.S.

If the past problem actually exist, it is the question of the settlement of the "inconsistency" between the DPRK and the IAEA [International Atomic Energy Agency].

Our position is to make clear the "inconsistency." What should be the point of time in clarifying the "inconsistency" was seriously discussed at the latest talks. The problem of our past nuclear activities was caused by the distrust between the DPRK and the United States and the U.S. hostile policy toward the DPRK. Therefore, the point of time of the clarification of "inconsistency" must be decided upon depending on the removal of the distrust and hostile relations between the two countries. In other words, our nuclear transparency will be ensured when a significant part of the light water reactor project is completed and when the relations between the two countries are normalized.

Another important point I'd like to stress is that the agreed framework reflects in a concrete form our principled stand and realistic way of resolving the nuclear issue.

From the very day when the nuclear issue cropped up, we have consistently maintained the principled stand that it must be resolved through DPRK-USA talks. As for the method of its solution, we put forward the most reasonable and fair proposal for resolving the nuclear issue in a package deal strictly based on simultaneous actions, and have made every effort possible to realise it.

We favorably assess the framework agreement because it fully reflects our demand and proposal.

What is most important is for both sides to correctly implement the provisions stipulated in the agreement. We will do our utmost to contribute to the denuclearisation of the Korean peninsula and peace and security in Asia by honestly implementing its provisions.

We think the United States, our dialogue partner, has much more things to do than we have under the agreement. We hope that the United States will display utmost sincerity in its implementation as it promised, in response to our sincerity.

Answering questions put by reporters, Kang Sok-chu said:

We call dear Comrade Kim Chong-il the supreme leader of the Democratic People's Republic of Korea and the great leader of our party and people, representing the unanimous feelings of our people.

Dear Comrade Kim Chong-il, the supreme leader of the Democratic People's Republic of Korea, enjoys deep respect, recognised by the world as the only successor to the great leader President Kim Il-sung.

Kang continued:

This time the sides agreed that steps should be taken for verifying the accuracy and completeness of the DPRK's initial report through consultations between the DPRK and the IAEA, when a significant part of the LWR project is completed. I can't say definitely how long it will take.

U.S. Chief Delegate Gallucci said it would take about five years. I also think it will take about that period.

Turning to the question of inter-Korean dialogue, Kang said:

As is stipulated in the agreed framework, dialogue will begin when an atmosphere for the promotion of this dialogue is created by the agreed framework.

'Full Text' of Geneva Framework

CM2410150694 Pyongyang Korean Central
Broadcasting Network in Korean 0602 GMT 22 Oct 94

[FBIS Translated Text] An agreed framework between the DPRK and the United States of America was published in Geneva on 21 October. Follows the full text of the agreed framework:

Agreed Framework Between the Democratic People's Republic of Korea and the United States of America

Geneva, October 21, 1994

Delegations of the governments of the Democratic People's Republic of Korea (DPRK) and the United States of America (U.S.) held talks in Geneva from September 23 to October 21, 1994, to negotiate an overall resolution of the nuclear issue on the Korean peninsula.

Both sides reaffirmed the importance of attaining the objectives contained in the August 12, 1994 agreed statement between the DPRK and the U.S. and upholding the principles of the June 11, 1993 joint statement of the DPRK and the U.S. to achieve peace and security on a nuclear-free Korean peninsula. The

DPRK and the U.S. decided to take the following actions for the resolution of the nuclear issue:

I. Both sides will cooperate to replace the DPRK's graphite-moderated reactors and related facilities with light-water reactor (LWR) power plants.

1) in accordance with the October 20, 1994 letter of assurance from the U.S. President, the U.S. will undertake to make arrangements for the provision to the DPRK of a LWR project with a total generating capacity of approximately 2,000 mw (E) [megawatts electric] by a target date of 2003. —The U.S. will organize under its leadership an international consortium to finance and supply the LWR project to be provided to the DPRK. The U.S., representing the international consortium, will serve as the principal point of contact with the DPRK for the LWR project. —The U.S., representing the consortium, will make best efforts to secure the conclusion of a supply contract with the DPRK within six months of the date of this document for the provision of the LWR project. Contract talks will begin as soon as possible after the date of this document. —As necessary, the DPRK and the U.S. will conclude a bilateral agreement, for cooperation in the field of peaceful uses of nuclear energy.

2) In accordance with the October 20, 1994 letter of assurance from the U.S. President, the U.S., representing the consortium, will make arrangements to offset the energy forgone due to the freeze of the DPRK's graphite-moderated reactors and related facilities, pending completion of the first LWR unit. —Alternative energy will be provided in the form of heavy oil for heating and electricity production. —Deliveries of heavy oil will begin within three months of the date of this document and will reach a rate of 500,000 tons annually, in accordance with an agreed schedule of deliveries.

3) Upon receipt of U.S. assurances for the provision of LWRs and for arrangements for interim energy alternatives, the DPRK will freeze its graphite-moderated reactors and related facilities and will eventually dismantle these reactors and related facilities. —The freeze on the DPRK's graphite-moderated reactors and related facilities will be fully implemented within one month of the date of this document. During this one-month period, and throughout the freeze, the International Atomic Energy Agency (IAEA) will be allowed to monitor this freeze, and the DPRK will provide full cooperation to the IAEA for this purpose. —Dismantlement of the DPRK's graphite-moderated reactors and related facilities will be completed when the LWR project is completed. —The DPRK and the U.S. will cooperate in finding a method to store safely the spent fuel from the 5 mw (E) experimental reactor during the construction of the LWR project, and to dispose of the fuel in a safe manner that does not involve reprocessing in the DPRK.

4) As soon as possible after the date of this document, DPRK and U.S. experts will hold two sets of experts talks. —At one set of talks, experts will discuss issues

related to alternative energy and the replacement of the graphite-moderated reactor program with the LWR project. -At the other set of talks, experts will discuss specific arrangements for spent fuel storage and ultimate disposition.

II. The two sides will move toward full normalization of political and economic relations.

1) Within three months of the date of this document, both sides will reduce barriers to trade and investment, including restrictions on telecommunications services and financial transactions.

2) Each side will open a liaison office in the other's capital following resolution of consular and other technical issues through expert-level discussions.

3) As progress is made on issues of concern to each side, the DPRK and the U.S. will upgrade bilateral relations to the ambassadorial level.

III. Both sides will work together for peace and security on a nuclear-free Korean peninsula.

1) The U.S. will provide formal assurances to the DPRK against the threat or use of nuclear weapons by the U.S.

2) The DPRK will consistently take steps to implement the North-South joint declaration on the denuclearization of the Korean peninsula.

3) The DPRK will engage in North-South dialogue, as this agreed framework will help create an atmosphere that promotes such dialogue.

IV. Both sides will work together to strengthen the international nuclear non-proliferation regime.

1) The DPRK will remain a party to the treaty on the non-proliferation of nuclear weapons (NPT) and will allow implementation of its safeguards agreement under the treaty.

2) Upon conclusion of the supply contract for the provision of the LWR project, ad hoc and routine inspections will resume under the DPRK's safeguards agreement with the IAEA with respect to the facilities not subject to the freeze. Pending conclusion of the supply contract, inspections required by the IAEA for the continuity of safeguards will continue at the facilities not subject to the freeze.

3) When a significant portion of the LWR project is completed, but before delivery of key nuclear components, the DPRK will come into full compliance with its safeguards agreement with the IAEA (infcirc/403) [information circular/403], including taking all steps that may be deemed necessary by the IAEA, following consultations with the agency with regard to verifying the accuracy and completeness of the DPRK's initial report on all nuclear material in the DPRK.

[Signed] Kang Sok-chu head of the delegation of the Democratic People's Republic, first vice minister of foreign affairs of the Democratic People's Republic of Korea

[Signed] Robert L. Gallucci, head of the delegation of the United States of America, ambassador at large of the United States of America

Reaction to, Comment on Geneva Agreement Reported

UN Spokesman Hails Accord

SK2310084594 *Pyongyang KCNA in English 0830 GMT 23 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 23 (KCNA)—A spokesman for the United Nations secretary-general made public a statement on October 18 hailing the framework agreement reached at the talks between the Democratic People's Republic of Korea and the United States of America in Geneva.

The statement said the U.N. secretary-general warmly welcomed the wide-range agreement on the nuclear issue and other matters reached between the DPRK and the United States in Geneva and expressed the hope that the agreed framework would pave the way for the normalization of the situation on the Korean peninsula.

Various Countries Support Accord

SK2410061594 *Pyongyang KCNA in English 0515 GMT 24 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 24 (KCNA)—The agreed framework between the Democratic People's Republic of Korea and the United States of America was supported by different countries.

A spokesman of the Chinese Foreign Ministry in a weekly news briefing on October 20, hailed the agreed framework reached at the DPRK-U.S. talks, expressing the belief that this will help toward realizing the denuclearisation of the Korean peninsula and defending peace and stability there.

A spokesman of the Vietnamese Foreign Ministry in a press conference on the same day said that the agreed framework between the DPRK and USA at the Geneva talks is an affirmative step.

This agreed framework is of weighty significance in removing the tense situation on the Korean peninsula and consolidating security in the Asia-Pacific region as a whole and developing cooperation there, he said.

A spokesman of the Mongolian Foreign Ministry in a statement on October 21 noted that the agreed framework between the DPRK and USA is considered to make substantial contribution to ensuring security not only in the Korean peninsula but also in a broader region.

He expressed the hope that the sides concerned will make sincere cooperation in implementing the provisions of the agreed framework.

South, U.S. Disagree Over Accord

SK2210112094 Pyongyang KCNA in English 1040 GMT 22 Oct 94

[FBIS Transcribed Text] Pyongyang, October 22 (KCNA)—The Kim Yong-sam puppet clique are openly expressing regret and complaint against their American master, finding themselves isolated and spurned in their hysteric campaign to break up the DPRK-U.S. talks, crying for "an international cooperative system" with the United States.

HANGUK ILBO October 17 said that "the South Korean authorities had coordinated the stand of South Korea and the United States and arranged a case in which no concession is allowed," through various talks and channels. But the United States "made a concession in core issues at the Geneva talks which they had said could not have been an object of compromise", thus "failing to defend the Maginot Line demanded by South Korea."

"Voices criticizing the negotiating attitude of the United States is growing louder at 'Chongwadae [presidential offices]' in this connection," it noted.

TONG-A ILBO October 18 reported that the conservative "assemblymen" and party officials are showing a "disapproving reaction" to the United States which brought the DPRK-U.S. talks to a success.

HANGUK ILBO on October 15 in an article headlined "Too Much Concession of U.S." grumbled: "The U.S. negotiating strategy is very clumsy". The joint step of South Korea and the United States in claiming that "there is no provision of light water reactors without 'special inspection'" burst like soap bubbles. The United States ignored the request of South Korea that it should be more prudent in the North-U.S. talks. The United States which threatened not to rule out U.N. "sanctions" against the "nuclear activities" of North Korea gave a big diplomatic victory to North Korea in the long run.

'Uneasiness' of ROK Reported

SK2210105894 Pyongyang KCNA in English 1046 GMT 22 Oct 94

[FBIS Transcribed Text] Pyongyang, October 22 (KCNA)—The Kim Yong-sam traitor clique are in a serious uneasiness, fear and despair, conscious of their desperate straits after the DPRK-U.S. talks in Geneva culminated in the adoption of an agreed framework.

Dismayed at the progress of the DPRK-U.S. talks, the Kim Yong-sam group had run a gamut of folly to bar the improvement of the DPRK-U.S. relations at any cost, senselessly uttering incoherent words, only to find themselves in a sorry plight.

South Korean media and public opinion are making a scathing comment on it.

In an article titled "Our 'Government's' View of North-U.S. talks" HANGUK ILBO on October 17 said:

"It is because South Korea was completely excluded in the Geneva agreement that complaint has burst forth from some quarters of the 'government.'"

Radio CBS on October 18 said:

"Yi Se-ki, chairman of the policy committee of the 'Democratic Liberal Party,' who has all along called for a hardline position towards North while the North-U.S. talks were in session in Geneva, finds it difficult to conceal his distressed expression, seeing signs that the talks will end with our 'government' stand ignored."

Yang Song-chol, a professor at Kyunghui University in Seoul, said "The government cannot deny the point that it has let loose a torrent of unwise words, political and diplomatic, has been caught in a trap of its own accord and has driven the people into a confusion."

TONG-A ILBO on October 18 wrote in an article titled "Ruling Camp Embarrassed in Accepting 'North-U.S. Agreement.'": the ruling quarters are embarrassed as to how it should accept the results of the North-U.S. negotiations in Geneva."

HANGUK ILBO on October 15 could not conceal disappointment at the fact that the dream of the South Korean authorities to get something by wedging itself into the nuclear negotiations has burst like soap bubbles.

Letter Sent by Clinton to Kim Chong-il Reported

CM2410152294 Pyongyang Korean Central Broadcasting Network in Korean 0600 GMT 22 Oct 94

[FBIS Translated Text] The dear leader [chinaehanun chidoja] Comrade Kim Chong-il has received a letter of assurances [tambo sohan] from the president of the United States of America [U.S.A.]

Comrade Kim Chong-il, the dear leader of our party and our party, received a letter from U.S.A. President Bill Clinton as regards assurances for the provision of light-water reactors and for arrangements for interim energy alternatives.

The letter is as follows:

Pyongyang

His Excellency Kim Chong-il, supreme leader of the Democratic People's Republic of Korea Pyongyang

Excellency:

I wish to confirm to you that I will use the full powers of my office to facilitate arrangements for the financing and construction of a light water nuclear power reactor

project within the DPRK, and the funding and implementation of interim energy alternatives for the Democratic People's Republic of Korea pending completion of the first reactor unit of the light-water reactor project. In addition, in the event that this reactor project is not completed for reasons beyond the control of the DPRK, I will use the full powers of my office to provide, to the extent necessary, such a project from the United States, subject to approval of the U.S. Congress. Similarly, in the event that the interim energy alternatives are not provided for reasons beyond the control of the DPRK, I will use the full powers of my office to provide, to the extent necessary, such interim energy alternatives from the United States, subject to the approval of the U.S. Congress.

I will follow this course of action so long as the DPRK continues to implement the policies described in the agreed framework between the United States of America and the Democratic People's Republic of Korea.

Sincerely, Bill Clinton, President of U.S.A., the White House, Washington, October 20, 1994.

ROK-U.S. 'Conspiracy' Against North Alleged

SK2110150294 Pyongyang Radio Pyongyang in Korean to South Korea 0900 GMT 18 Oct 94

[Unattributed talk: "Military Conspiracy for an Insidious Aim"]

[FBIS Translated Text] Officers and men of the South Korean Armed Forces. As you know, the United States and the South Korean puppets held the 26th annual Security Consultative Meeting [SCM] and the 16th military committee in the United States for two days starting 6 October.

The military heads of the United States and South Korea as well as diplomatic officials participated in the meetings. The joint military measures regarded as the basic agenda the North's nuclear issue, the maintaining of the Korean Armistice Agreement, and the sharing of expenditures to maintain the U.S. occupation forces stationed in South Korea, including the issue of resuming the 'Team Spirit' joint military exercise; they conspired to aggravate the tense situation on the Korean peninsula and prepare a war to invade the North.

During the conspiracy, the United States and the South Korean puppets decided to ultimately determine the issue of resuming the 'Team Spirit' joint military exercise later this month after viewing the progress of the DPRK-U.S. talks; once again announced that the second phase reduction of the U.S. occupation forces stationed in South Korea will be withheld for the time being; and decided to considerably increase expenditures for maintaining the U.S. forces, which the puppets will be burdened with next year, as compared with this year. It has also been learned that they agreed to maintain the current Korean Armistice Agreement system as it is.

As can be seen, this military conspiracy was a war conspiracy designed as a wicked scheme to openly threaten and intimidate us; to strengthen the aggressive, nation-selling, military conspiracy; and to further accelerate preparations for a war to invade the North by finding fault with the nuclear issue. Moreover, what is serious is the fact that this military conspiracy openly revealed the attempt to crush [apsal] our republic by force.

Coinciding with the unusual moves by the conservative forces within the U.S. military regarding the recent Geneva DPRK-U.S. talks, the military heads of the United States and South Korea as well as diplomatic officials sat together and carried out a war conspiracy opposing us. This is indeed very dangerous.

Even before carrying out a military conspiracy, the U.S. military conservative forces and the South Korean puppets openly babbled that the focus of this meeting is to take proper joint military measures related to the nuclear issue; at the annual SCM, there was a conspiracy on the joint military measures regarding the North's nuclear issue, including the issue of resuming the 'Team Spirit' war exercise. This all stems from the attempt to crush [apsal] our republic by force. This is a vicious challenge toward the Korean people who desire the country's peace and peaceful reunification, and an intolerable criminal act threatening our republic as well as peace and security in Asia.

At the United States-South Korea military committee, a document was drawn up stipulating that the right for operational control during peacetime regarding the puppet army will be handed over to South Korea. This is nothing but a deceitful act. The United States said it will hand over the right for operational control during peacetime, but drove a wedge by saying important functions—such as establishing operational plans in preparation for war, combined exercises, and early warning systems—will be continuously exercised by the U.S. occupation forces' command stationed in South Korea. It also regulated that if the danger of a war is heightened on the Korean peninsula, the right for operational control regarding the puppet army will be handed over to the U.S. occupation forces' command stationed in South Korea, as was the case before.

The Kim Yong-sam ring is babbling as if the right for operational control during peacetime is a great thing; but ultimately, what the puppets were handed by the United States regarding the military prerogative of supreme command is nothing at all. Rather, military subordination has been all the more skillfully disguised.

In a nutshell, at the military conspiracy conducted by the United States and the South Korean puppets, they freed themselves from the hypocrisy of dialogue and negotiations. It is nothing but openly announcing the confrontation of strength. This once again clearly shows the bellicose elements of the United States and South Korea

are watching for an opportunity to kindle the fire of war to invade the North on the Korean peninsula.

The rascals are raving in every way to bend our people's will who are vigorously advancing toward the socialist road under the banner of the immortal *chuche* idea, but it is only a futile fantasy. Our people are not such people who will be astonished at the reckless maneuver of threat and intimidation by the imperialists and their cat's paw.

If the United States acts recklessly by thinking we are one of the small island countries of the Caribbean, the rascals will not be able to escape further shame and defeat compared with the defeat Korea suffered during the 1950's.

Officers and men of the South Korean Armed Forces, you must not be dragged into the Kim Yong-sam ring's and outside forces' criminal maneuver who run amok to hail nuclear blows on the heads of fellow countrymen. If you are driven to war maneuvers by following orders of the outside forces and Kim Yong-sam ring, you will be committing a sin before your nation and people that cannot be wiped away forever, and will only destroy yourselves.

As members of the nation, officers and men of the South Korean Armed Forces must oppose outside forces and the Kim Yong-sam ring who run amok to ruin the fatherland and annihilate the nation, and must stand at the side of your parents and brothers, thus aiming the muzzle of the guns at the rascals.

ROK's 'Inconsistent' Nuclear Policy Criticized

SK2410104094 Pyongyang KCNA in English 1013 GMT 24 Oct 94

[*"South Korean Policy Toward North Faces Total Bankruptcy, Declares Hanminjon"*—KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 24 (KCNA)—The propaganda department of the Central Committee of the South Korean National Democratic Front (Hanminjon) on October 22 published an information, which notes that voices critical of the inconsistent nuclear diplomacy and policy toward the North of the Kim Yong-sam group are growing louder and the South Korean political situation is now in a chaotic confusion, according to Seoul-based radio Voice of National Salvation.

The information has the subtitles "Kim Yong-sam in Dilemma," "'Chongwadae' [presidential offices] Associates React in Distress," "Military, 'ANSP' [Agency for National Security Planning] and 'Sixth Republic' Conservatives With Vested Rights Stirred Up," "Ruling Party in Utter Bewilderment" and "Opposition Party Takes Offensive Posture."

Follows an excerpt from the information:

When he was informed of the results of the North-U.S. talks, Kim Yong-sam fell into a fit of convulsions and

cried: "When I talked with President Clinton on the phone, he promised me to observe at least the principle of 'special inspection first, provision of light water reactors next. What does all this mean?" flying into one of his tempers, he grumbled: "Damn it! There is none to be trusted."

When a "minister" on hand reportedly told him "we must have good relations with the United States at this moment," Kim Yong-sam said: "There is no other way but to declare to the United States our 'government's' position of complying with the North-U.S. agreed framework and soothe the opposition camp by telling them the position of our 'government' is fully reflected in it."

Finding themselves under fire from the opposition parties for the inconsistent policy of the "president" toward the North, the chief secretary of "Chongwadae" and the secretary in charge of diplomatic and security affairs retorted that the responsibility rested with the "president" who had run about like a lunatic on pins and needles. They contended that "he brought such a trouble not because he acted on the advice of the assistants but because he failed to lend an ear to it."

Now the military, the "Agency for National Security Planning" and the conservative forces with vested rights of the "Sixth Republic" are giving vent to their discontent, telling Kim Yong-sam not to try to defend himself with a "stopgap measure" but to make clear the fact. And words are leaking from among the members of the "Hanahoe" who had harbored ill feeling toward the "shakeup in the military" by Kim Yong-sam that "it is high time the physical force was invoked."

The "Democratic Liberal Party" is deploring the lot of South Korea which has no alternative but to accept the framework agreement between the North and the United States.

The Democratic Party held a meeting of its Supreme Committee on October 17 and called "Chongwadae" to task for its failure to maintain consistency. Representing the opposition lawmakers, its Chairman Yi Ki-taek in his speech at the plenary session of the "National Assembly" urged a resignation en bloc of the "cabinet" and called for shaping a national reunification-oriented policy toward the North for a radical improvement of the North-South relations.

The "Foreign Ministry" and the "Unification Board" are taking up the cudgel against the traitor Kim Yong-sam over the successful conclusion of the talks between the North and the United States. And businessmen are complaining that they missed the train bound for the North due to Kim Yong-sam's harebrained acts.

An official of the Secretariat for North-South Dialogue directed complaints against "Chongwadae," saying that "Chongwadae" had worked out the policy toward the North over the nuclear issue, that it is like the younger brother being flogged for a mistake committed by his

elder brother. A ranking official of the "Foreign Ministry" said: "Kim Yong-sam tells us to seek a measure to save the situation with the improvement of relations between the North and the United States imminent. But, 'Chongwadae' must save the situation because it is to blame for all the bungles."

An official of the "Ministry of Trade and Industry" grumbled that "Chongwadae" is made up of stupid guys. A company clerk of the Daewoo Business Group said: "Kim Yong-sam did not express condolences to the North on the death of the father of the nation, suppressed those who were expressing condolences and levelled guns at sorrow-stricken fellow countrymen. Where would he get the face to offer a hand to the North for economic cooperation? The company clerk called down curses on Kim Yong-sam who blocked even business channels. [no ending quotation mark as received]

Concern over a crisis is expressed in the academic circles.

A professor of political science surnamed Kim of Seoul National University said that Kim Yong-sam tried to create conditions for putting the North in an international isolation and realising the foolish dream of "unification under the liberal democratic system" only to find himself isolated, elbowed out by the North's witty tactics of diplomacy and negotiation.

When the results of the talks between the North and the United States were published, people of all walks of life, feeling national pride, praised the diplomacy of the North as a model of self-determined diplomacy. At the same time, they criticized the sycophantic humiliating diplomacy of the South Korean authorities and said that Kim Yong-sam has been caught in a trap while committing all sorts of wrong doings.

ROK's 20-21 Oct 'Military Exercise' Denounced

SK2310084094 Pyongyang KCNA in English 0828 GMT 23 Oct 94

["War Exercises of South Korean Puppets Against North"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 23 (KCNA)—The South Korean puppets staged a military exercise against the North on October 20 and 21, continuously reinforcing Armed Forces in forefront areas, according to military sources.

The puppets occupied an area adjacent to the Demilitarized Zone and a nameless height in Chorwon County, South Korean Kangwon Province on October 21 and got prepared for firing at the North side all at once.

On October 20, the puppets brought twenty-four 105mm guns in the area of Munji-ri, Paju County, and five heavy tanks in the area of Kaegok-ri, Kimpo County, from the rear. And they staged an aerial war game simulating an invasion on the North in the skies above Munsan,

Yonchon and Chorwon, South Korean Kangwon Province, forefront areas, with the mobilization of more than 30 warplanes of the puppet army.

Artillery groups of the puppet army which moved to the areas of Chongja-ri, Paju County, Chungsa-ri, Yonchon County and Yulli-ri, Chorwon County, South Korean Kangwon Province, on October 21 fired more than 400 shells toward the forefront.

The South Korean puppets should look straight at the trend of the times and stop the reckless action.

Kim Yong-sam 'Prostitute' Serving U.S., Japan

SK2210124294 Pyongyang Korean Central Broadcasting Network in Korean 0630 GMT 22 Oct 94

[Unattributed talk: "Traitor Kim Yong-sam Is a Colonial Servant Who Has Sold Out the Country and the Nation"]

[FBIS Translated Text] The traitor Kim Yong-sam is a colonial servant who, since coming to power, has sold out the interests of the country and nation, relying only on outside forces without having an independent spirit, just like a fool [sirasonichorom]. The traitor Kim Yong-sam meets [somgyo pachigo] the demands of outside forces, and when they speak, cringes while clasping his hands for no good reason.

For example, when we proposed a package solution to fundamentally resolve the nuclear issue on the Korean peninsula late last year, with the second round of DPRK-U.S. talks approaching, and the United States was about to accept it, the puppet traitor Kim Yong-sam hurriedly ran to his U.S. masters and begged them not to accept our proposal. The U.S. masters, who well know the puppets' weak points, availed themselves of that opportunity, hinting at their demand to open South Korea's rice market. The traitor Kim Yong-sam accepted it right away [chekkok kugosul padamurossumyo], without offering a counter argument, and even stamped his seal to the document opening the rice market.

Opening South Korea's rice market is a nation-selling, traitorous act that makes the South Korean people and its agriculture fall victim to the interests of U.S. businesses that monopolize farm products and U.S. rice producers. This is why the South Korean people branded the rice market opening as a criminal act of offering the entire South Korean economy to the U.S. masters, and as a rebellious act equivalent to the nation-selling, traitorous act of selling the country's entire political sovereignty to the Japanese aggressors by signing the Ulsa Five-Point Treaty.

Because he was aware of the aftermath of the rice market opening, the traitor Kim Yong-sam blared he would keep the rice market closed as he made commitments during the presidential election campaign. However, upon the

U.S. masters' demand, Kim Yong-sam cast off his promise to the people like an old shoe, cringing before them [solsol kimyonso].

Regarding the aftermath of the puppet traitor Kim Yong-sam's treachery to the country and nation, the South Korean newspaper HANGYORE SINMUN wrote: The popular masses were crying, angry to hear the bitter news on the rice market opening. Many people have had their heads shaved and precious rice bags were burnt in expressing resistance to the United States. The sound of mourning rings all over the country.

This is not all that the puppet traitor Kim Yong-sam gave the U.S. masters. As the U.S. ruling class admits, the United States maintains its occupation forces in South Korea for its national interests and out of necessity. However, when asked to increase South Korea's share of expenses for maintaining U.S. forces, the traitor Kim Yong-sam increased it to over \$3 billion, blaring as if the U.S. forces provide support for South Korea's security.

When the United States demanded that South Korea purchase U.S. weapons and military equipment, including Patriot missiles, mentioning the North's reprisal against sanctions, the traitor Kim Yong-sam accepted without hesitation. As was known later, the Patriot missiles the United States forced South Korea to purchase have been replaced by the U.S. introduction of the new-type Elite missiles.

After all, with the money collected from the people by imposing on them the enormous burden for military expenditures, South Korea enabled U.S. military industrial businesses, which were faced with a crisis after losing their markets upon the end of the Cold War, to make extraordinary profits.

The United States is not the only country the traitor Kim Yong-sam serves. After grasping power, the puppet traitor Kim Yong-sam was frank in revealing he is a prostitute serving not only the United States but also Japan, saying the diplomatic axes of his regime are the United States and Japan.

While stressing the avoidance of clinging to past feelings in relations with Japan, the traitor Kim Yong-sam remitted Japan's past crimes of aggression. Talking about a future-oriented partnership between South Korea and Japan, the traitor Kim Yong-sam even requested from the Japanese prime minister, who visited South Korea, that Tokyo further strengthen its governing role [chibaejok yokhal] over South Korea. Then, at the Japanese reactionaries' request, he completely lifted an embargo on Japanese goods and opened the door for the degenerating Japanese culture to be imbued in South Korea. As a result, South Korea's trade deficit with Japan reached \$5.19 billion in the first half of this year, and the Japanese (?sexual) culture has become rampant in South Korea.

Now, at the request of Japan, the traitor Kim Yong-sam is engaged in supporting Japan's efforts to become a permanent member of the UN Security Council [ilbonui UN anborisahoe sangimisaguk chinchurul chijihanun norumkkaji polligo issumnida], even though Japan has not apologized or compensated for the criminal acts it committed in the past.

The disaster brought to the South Korean people by the traitor Kim Yong-sam's flunkyist and nation-selling acts is too great to describe. In order to free themselves from today's misfortune, the South Korean people should put an end to the outside forces' colonial rule and establish their sovereignty. To this end, the flunkyist and nation-selling traitor Kim Yong-sam must be downed [taedo] and an independent regime must be established, as the South Korean people insist.

The traitor Kim Yong-sam will be given a stern trial by the people for his unparalleled, major crimes [mango taejoe], and he is sure to be ruined.

South Koreans Said Denouncing Kim Yong-sam

SK2210044094 Pyongyang KCNA in English 0429
GMT 22 Oct 94

["Kim Yong-sam 'Regime' Denounced in S. Korea"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 22 (KCNA)—Yi Ki-taek, chairman of the Democratic Party of South Korea, in his speech at the puppet National Assembly on October 20 criticized the Kim Yong-sam "government" over the results of the talks between the Democratic People's Republic of Korea and the United States, according to a radio report from Seoul.

He charged that the "government" frequently swayed between hawk and dove without principle and orientation or proper understanding of the essential nature and purport of the DPRK-U.S. talks in time.

The biggest mistake of many political blunders of the Kim Yong-sam "government" is its setback in the diplomatic policy, he said.

"In view of the expected development of the international situation, our policy toward the North and diplomatic policy must be wholly reshaped," he urged, and added: "To begin with, we must shake ourselves free from 'dependent diplomacy', prevent the repeat of the waste of 'national power' and confusion caused by the 'security-oriented rule' and repeal the 'National Security Law' as demanded by the people."

Figures of seven Buddhist organisations of South Korea including the chairman of the Soknim Human Rights Committee and the co-chairmen of the Buddhist Human Rights Committee in a joint statement on October 17 pointed out that the traitor Kim Yong-sam had resorted to every conceivable obstruction to frustrate the DPRK-U.S. talks, heaping slanders on it.

The statement charged that the "government" had relied upon the United States too much.

It said the "National Security Law" must be scrapped and the prisoners of conscience be released and confrontation be stopped.

"The people can no more trust the Kim Yong-sam 'government'", it stated.

Remarks of ROK's Kim Chong-pil Criticized

SK2210053994 *Pyongyang KCNA in English 0523 GMT 22 Oct 94*

["NODONG SINMUN Hits at Remarks of Traitor Kim Chong-pil"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 22 (KCNA)—The traitor Kim Chong-pil, speaking at the puppet National Assembly in the capacity of the chairman of the "Democratic Liberal Party", strung out a tirade marked by hypocrisy, evasion of responsibility and poor excuses on the social and political issues of South Korea, "relations with the North" and the unification question.

Commenting on this, a NODONG SINMUN analyst today says:

Referring to the "relations with the North" and the unification question, the traitor Kim Chong-pil blabbed that unification must not be hastened, venting his displeasure at the expected publication of the basic agreement between the North and the United States. This is a hokum unfit for the reality and an anti-reunification baloney which can be uttered only by those who are seeking a permanent division of the nation.

Lurking behind his remarks that unification should be shelved is the hideous intention to speed up the fascistization and militarization of the South Korean social and political spheres and build up Armed Forces and thus achieve "unification by prevailing communism". By declaring that the "National Security Law" cannot be scrapped, Kim Chong-pil meant that the confrontation between the North and the South would be aggravated and South Korea be further fascistized.

If a genuine "political reform" and "democratic politics" are to be achieved in South Korea, the traitor Kim Chong-pil, the chieftain of "Yusin" and the leading actor in the "civilian" fascist politics, must be removed as the first target of the reform.

The history and the nation will not pardon Kim Chong-pil, but bring down a sledge hammer on the head of the traitor and murderer, an old fox.

Japan's 'Past History of Aggression' Denounced

SK2210052794 *Pyongyang KCNA in English 0518 GMT 22 Oct 94*

["Past Crimes Can Never Be Justified"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 22 (KCNA)—Japanese reactionaries and local assemblies recently claimed that Japan fought in the past days to "liberate" Asia from the rule of the European powers and "the independence and development of Asian countries are gifts of the Japanese war dead." Commenting on this, NODONG SINMUN today brands this as a shameless fabrication of history and an intolerable insult to the Asian people, which stripped bare the effrontery and craftiness of the Japanese reactionaries.

The author of the article says:

Aggression and looting are the inborn habits of imperialism. The aggression and war crimes of the Japanese imperialism in the past days were offsprings of their nature.

Japan's history of Asian aggression began with her Korean aggression.

Japanese imperialism illegally occupied Korea and imposed immeasurable misfortunes and sufferings upon her people after establishing a brutal colonial rule without parallel.

During the first World War, the Japanese imperialists occupied some regions of Asia and Pacific islands and, entering the 1940s, expanded their aggression and war to a vast area of Asia and the Pacific.

During their colonial rule over Korea, the Japanese imperialists forcibly drafted more than 6 million people, murdered over one million and massacred 12 million people in China. In the period of the Pacific war, they killed two million people each in Vietnam and Indonesia and 1.1 million in the Philippines.

The Japanese imperialists perpetrated most inhumane murder, destruction and pillage in Asian countries, which had not been witnessed in the period of other colonial rule.

Yet the Japanese reactionaries extol the past aggression and war crimes as something for "liberation," crudely distorting the hard historical facts. This reveals their intention to repeat the past history of aggression.

When the militarist propaganda offensive from the above came up against opposition, they are trying to impose militarism lawfully from the below.

The Japanese reactionaries must stop distorting history, frankly repent of the past wrongs and fully liquidate them. This is a demand of the times.

KPA Friendship Delegation Departs for PRC

SK2210225194 *Pyongyang KCNA in English 1508 GMT 22 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 22 (KCNA)—A friendship visiting group of the Korean People's Army [KPA] led by General of the KPA O Yong-pang left Pyongyang today for a visit to China.

Arriving here today was a friendship visiting group of Thailand led by Witthaya Phatthaphong, deputy prosecutor general of the Niayne Prosecutor's Office of Thailand.

Foreign Party Leaders Send Kim Chong-il Messages

SK2410061994 Pyongyang KCNA in English 0508
GMT 24 Oct 94

[All names as received]

[FBIS Transcribed Text] Pyongyang, October 24 (KCNA)—The dear leader of our party and our people Comrade Kim Chong-il received messages of greetings from foreign party leaders on the occasion of the 49th anniversary of the founding of the Workers' Party of Korea.

The messages came from Didier Ratsiraka, secretary general of the Action for the Renaissance of Madagascar; Iqbal Ahmed Khan, secretary general of the Pakistan Muslim League; Rashed Khan Menon, general secretary of the Central Committee of the Workers' Party of Bangladesh; Ibrahima N'diaye, secretary general of the Executive Committee of the African Party for the Solidarity and Justice of Mali; Mamadou El Bechir Gologo, secretary general of the National Direction Committee of the Sudanese Union-African Democratic Rally in Mali; El Haji Boubacar Biro Diallo, general secretary of the Party for Unity and Progress of Guinea; and Stevan Mirkovic, president of the Central Committee of the League of Communists of Yugoslavia.

The messages extend warmest congratulations to Comrade Kim Chong-il and wish him a long life in good health.

They stress the need to strengthen and develop friendly and cooperative relations between the afore-said parties and the Workers' Party of Korea.

Paper Praises Kim Chong-il as 'Great Leader'

SK2210104394 Pyongyang KCNA in English 1026
GMT 22 Oct 94

["It Is High Honor of the Korean People To Have a Great Leader With Undisputed Authority at the Head of the Party and the Revolution"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 22 (KCNA)—It is the greatest honor and happiness of the Korean people to have dear Comrade Kim Chong-il praised as a great leader at the head of our party and revolution, declares NODONG SINMUN today.

The paper says in a signed article:

The dear leader Comrade Kim Chong-il whom all our people trust and follow as heaven with respect, is an outstanding leader in our era who has won undisputed

authority for his distinguished quality and personality and for his protracted revolutionary activities and undying exploits.

The great leader Comrade Kim Il-song said:

"Comrade Kim Chong-il, as the people's leader, enjoys respect and love of the people and has undisputed authority for his leadership ability and personality, is fidelity and devoted service and for his exploits."

The high authority of Comrade Kim Chong-il is, above all, the authority of the most veteran leader of our era who has led the party and the revolution at their head for many years.

He has a record of leadership of more than 30 years.

Those years are a proud history in which he has steadfastly defended and successfully inherited and developed the revolutionary cause of *chuche* pioneered by the respected leader Comrade Kim Il-song; it is a history of victories in which he has led the Korean revolution along the most straight road of victory without the slightest vacillation and turns and twists, under the banner of the *chuche* idea; and it is the great history of the people's leader in which he has devoted his all to the prosperity of the country and the happiness of the people.

He has performed immeasurable experiences. Among them are experiences in imbuing the whole party and society with the revolutionary idea of the leader, achieving the singlehearted unity of the leader, the party and the people, bringing about a great upswing in the building of the party, the state, the economy and culture, and reinforcing the defences of the country like an impregnable fortress and building up the People's Army into a matchless army.

There is no such a leader as dear Comrade Kim Chong-il who was born the bright star over Mt. Paektu and has performed immensely rich and diverse experiences, shouldering the heavy burdens of administering the party and state affairs and building the revolutionary Armed Forces from his twenties, and leading them in the serious confrontation with the imperialist allied forces in politics, economy and military.

The undisputed authority of Comrade Kim Chong-il is also the authority of a great thinker and theoretician who has performed immortal feats for the development of the history of human thought through his exceptional ideological and theoretical activities.

The famous works authored by him until now from the 1960 are beyond imagination.

By the dear leader, a great master of ideology and theory, the revolutionary idea of the great leader Comrade Kim Il-song has been perfected into the only guiding idea of the present era and has borne good fruition and all the theoretical and practical problems arising in defending the cause of socialism at present have been successfully solved.

The outstanding ideological and theoretical activities of Comrade Kim Chong-il are underlain by unbounded fidelity to the revolutionary idea of the great leader Comrade Kim Il-song and rare wisdom which no one can match.

Profound knowledge of all fields and spheres of the revolution and construction, unusual meditation and pursuit, clairvoyant foresight into and analysis of the essence of a very complicated phenomenon and situation whereby he draws scientific conclusions, the ability to epitomizing in one gem-like proposition the demand of the times and the aspirations of tens of millions of people and giving as orderly and logical answer to any difficult theoretical question with ease—these are the distinguished qualities of the dear leader as a great thinker and theoretician produced by humankind.

His high authority is also the authority of a great practician and a tested master of the art of leadership, who leads the revolution and construction to a steady upswing through his extraordinary leadership ability and energetic practical activities.

The greatness of his leadership is strictly scientific accuracy whereby he solves with clairvoyant intelligence and matchless foresight all questions in conformity with the requirement of the times and the law governing the development of revolution, rare organizing ability whereby he, possessed of literary and military accomplishments, leads skillfully the work in all fields of the revolution and construction which he carries to the fulfillment the given tasks by his own efforts under whatever situation.

It is the dear leader who has strengthened and developed our party into an impregnable party unknown in history and turned our society into a complete integral whole of the leader, the party and the masses in ideology and purpose. And it is also him who has ensured that a new speed of advance was created in socialist economic construction and a great heyday of renaissance opened in this land.

Comrade Kim Chong-il also enjoys absolute respect and trust of the people as a great man and a great father for embracing and taking care of them with his warmest love and trust.

The Korean people have long since trusted and followed him as heaven.

The noble virtues of Comrade Kim Chong-il is the warmest human love with which he sets it as his supreme goal to love the people, immensely broad magnanimity with which he trusts and values all the people who have embarked upon the road of revolution as the masters of the revolution, and humblest personality in always putting up the people as his teacher and feeling great happiness in sharing bitterness and sweetness with them.

Such distinguished popular traits of the dear leader gained from all the revolutionary people unquestioned

trust and deepest reverence and spread a legendary epic of human love in this land. Today all the people of the country, workers, peasants, soldiers, intellectuals, etc. are determined to follow their great leader to the last moments of their lives, respectfully writing to him letters revering him and carrying their faith. This noble spiritual world can be seen only in Korea which has the dear leader Comrade Kim Chong-il, the supreme incarnation of human love, as their father.

Daily Stresses Party Leadership System

SK2410075794 Pyongyang NODONG SINMUN in Korean 9 Sep 94 p 1

[FBIS Translated Text] Today, we mark the 46th anniversary of the founding of our glorious fatherland, the DPRK. On this occasion, looking back, with boundlessly reverential feelings, upon the immortal achievements made by the respected and beloved leader Comrade Kim Il-song along the road to the founding, strengthening, and development of our Republic, our people are firming up their pledge of faith to accomplish our-style socialist cause under the party leadership.

The dear leader Comrade Kim Chong-il has indicated [chijokhasiotta]: "Above all, we should know the fact that no other great man of any country other than our leader restored the lost fatherland to us and built the prosperous socialist fatherland on this land, while overcoming all kinds of hardships under the gloomy days of the Japanese imperialist rule."

The respected and beloved leader Comrade Kim Il-song's founding of our glorious Republic and his building of the boundlessly prosperous and flourishing socialist fatherland on this land is shining as his greatest revolutionary achievement.

During the early days, on the basis of his scientific analysis of the duties of our revolution and of our country's social class relationship, the great leader put forth the line for building a chuche-oriented power—the line for building a people's power—for the first time in history; and provided the line's deep and strenuous root in the flames of arduous anti-Japanese revolutionary war. And, the great leader brilliantly solved the question of sovereignty by establishing a people's power without delay after the national liberation on the basis of such a precious success and experience. Because of the respected and beloved leader's immortal achievement of founding our Republic, our Korea—which had been trampled underfoot by the imperialists and lost its luster on the world map—came out, in a majestic way, in the international stage as a dignified sovereign and independent state; and our people came to have the long-cherished genuine fatherland and to display the national dignity to the whole world. We will forever hand down to the generations to come the immortal achievements made by the respected and beloved leader who regained the lost fatherland to us by turning out on the road to revolution with resolute determination to save the fate of

the countrymen from distress, while cutting his way through the seas of flames and blood in the anti-Japanese struggle; and who gave the powerful weapon for the socialist, communist construction to our people by founding the Republic.

The founding cause of our Republic was realized by the great leader Comrade Kim Il-song; and the proud history of its prosperity and thriving was also embroidered by the leader. Following about 20 years full of arduous hardships for the fatherland's liberation, the respected and beloved leader had stood at the head of cutting his way through the rigorous fatherland liberation war and serious social, economic changes, and of traversing the road to the great creation and construction. Along this historic road, the great leader created a shining example as to how to build, solidify, and develop a genuine state of the people, and the most solid and preponderant socialist power; and made immortal achievements before the times and mankind. Apart from the energetic revolutionary activities done by the respected and beloved leader who devoted his unremitting thought, efforts, and boundless energy to every stage of the protracted struggle while cutting his way through every kind of hardship, we cannot talk about the dignity of our fatherland and nation, nor can we think of the basic changes effected in the status and situation of our fatherland and nation. Today, our Republic's honor and dignity have reached the ultimate height, and our people are enjoying endless glory and happiness in the bosom of the socialist fatherland of *chuche* which is shining with independence, self-reliance, self-defense. This is totally because of a precious fruition of the respected and beloved leader's seasoned leadership. Therefore, firmly kept always in the hearts of our people is the fact that our fatherland is the respected and beloved leader Comrade Kim Il-song.

The respected and beloved leader Comrade Kim Il-song's creation of the immortal *chuche* idea and unfolding of a new history for building a genuine power centered upon the popular masses under the banner of the *chuche* idea serves as his greatest achievement made for our fatherland and people.

In the early days, the respected and beloved leader, an outstanding ideologist and theorist, established a man-centered view of the world which scientifically elucidated the road to defending man's independence [*chaju-song*] and realizing such independence; and he accomplished such a view through his energetic ideological, theoretical activities. The respected and beloved leader Comrade Kim Il-song's revolutionary ideology, the monolithic system of the *chuche* idea, theory, and method, is the most correct leadership ideology for our era's revolution and construction, and a powerful weapon which enables us to build, consolidate, and develop an ever-victorious, invincible socialist power. If it had not been for this great revolutionary ideology—the *chuche* idea—we could not have built the most preponderant socialist system of *chuche*, in which we can put

the popular masses' independent demands and interests in the center and subordinate everything to them. Our Republic is the fatherland of *chuche* in which the respected and beloved leader's revolutionary ideology—the *chuche* idea—is embodied on a wholesale scale.

We will never forget the great achievements of the respected and beloved leader who helped our Korea become the source of the great revolutionary ideology guiding the era of independence; newly opened the road, under the banner of the *chuche* idea, to the building of a people's power which no other great man could pioneer; and established a socialist paradise, which the people had desired so much for so long a time.

The respected and beloved leader Comrade Kim Il-song's turning—with his unremitting, energetic leadership—of our country, which had remained most backward and underdeveloped, into the most powerful and dignified socialist power of *chuche* is a great historic achievement made by him for the prosperity and development of our Republic.

The great leader's life-long cause was to build our Korea, which had been dominated by centuries-old backwardness and poverty, into a rich and prosperous country—in which all sectors, including politics, economics, and culture, have been developed on a wholesale scale—and into an ever-victorious, invincible country with great national strength which no one can dare to irritate. The respected and beloved leader devoted all of his life, and boundless efforts and energy to this cause. Today, every sector and field of revolution and construction, and every place in the fatherland is engraved with the traces of the respected and beloved leader's energetic leadership. Because we have held Comrade Kim Il-song, who himself had embodied the great leadership trait, at the head of the Republic, our Korea has come to get rid of the centuries-old backwardness and poverty, and give off the light to the whole world as a socialist power with independence, self-reliance, and self-defense; and our people have come to become dignified people who are firmly defending the sovereignty of the country and nation with strenuous courage.

Today, the might of our Republic has been extraordinarily strengthened in all domains, political, economic, cultural, and military; and our people have a firm guarantee to firmly defend the sovereignty of the country and nation with their own strength and accomplish the socialist cause to the end under any hardship. The immortal achievements made by the respected and beloved leader—who had led our Republic along the single road to prosperity while devoting all of his efforts to helping us enjoy endless happiness in a socialist paradise which the world's people are envious of—will shine forever with the glorious history of our fatherland.

The respected and beloved leader Comrade Kim Il-song laid a firm groundwork for the endless prosperity and thriving of our Republic and the everlasting happiness

for the generations to come. This is another one of his greatest achievements made before the fatherland and the people.

Today, our people are equipped with all foundations on which they can glorify forever our Republic which was acquired, with blood, and built under the leadership of the party and the leader. We possess an impregnable fortress-like party—a powerful weapon for the building of the fatherland—and a singlehearted unity of the entire party, all the people, and the whole military, which are firmly united around the party; and a strong self-reliant economy and the one-a-match-for-a-hundred revolutionary Armed Forces which can stand on their own feet through any stormy weather. All of these precious gains, which firmly guarantee the ever-lasting prosperity and thriving of our Republic, were achieved by the respected and beloved leader who provided all of them by devoting all of his life to them.

Since the early days, the respected and beloved leader, who had matchless sharp-sighted wisdom and outstanding far-sightedness, saw through the historical inevitability of the succession of the revolutionary cause and made steady preparations for it; and provided the singlehearted unity of the entire party and the whole society, the ever-victorious, invincible, and ever-lasting banner of our Republic. Really, the greatest happiness of our people is that they are carrying out revolution, while living in the socialist fatherland of *chuche* in which the question of succession of leadership has been brilliantly solved. The most precious achievement that the respected and beloved leader made for our people lies in laying the firm organizational, ideological foundation and establishing the leadership system on which we can realize the succession of our people's power generation after generation forever.

Today, our people are vigorously accelerating an our-style socialist general onward march by turning the great sorrow into hundred-fold and thousand-fold strength and courage in the singlehearted unity around the dear leader Comrade Kim Chong-il. They are keenly feeling with their hearts the greatness and preciousness of the respected and beloved leader's achievements of unfolding an endless bright future along the road of our Republic. As long as we uphold the dear comrade leader—an outstanding ideologist and theorist, and politician, genius of leadership, and ever-victorious iron-willed brilliant commander—at the head of our Republic, our fatherland will forever give off the light as the fatherland of *chuche* and our people will enjoy happiness in its bosom from generation to generation.

During the entire period of the revolutionary struggle, the respected and beloved leader Comrade Kim Il-song put forth numerous rational proposals for the fatherland's reunification and carried out energetic activities to solidify world peace and the friendship and unity of the people, thereby making great achievements in furthering the historic cause of the fatherland's reunification—our nation's greatest long-cherished desire—and

in extraordinarily enhancing the international status of our Republic. Because of such great achievements, our people have been able to firmly look forward to the historic days when the whole nation will be reunified as one; and our Republic's authority and prestige have been matchlessly enhanced.

Really, all of the achievements, which the respected and beloved leader Comrade Kim Il-song made in the days when he founded our Republic and led it along the single road to endless prosperity and thriving, are shining ones, which evoke the admiration of all people, and those achievements are great ones that no one can match.

Today, we are faced with the sacred task of endlessly glorifying our Republic, which was founded, consolidated, and developed by the respected and beloved leader Comrade Kim Il-song.

Above all, we should uphold with the singlehearted loyalty and filial piety the leadership of the dear leader Comrade Kim Chong-il.

The dear leader Comrade Kim Chong-il is our fatherland; and our fatherland is the dear comrade leader. At the moment, our people are seeing the wisdom—of an iron-willed brilliant commander, excellent politician, and great strategist—in the refined and seasoned leadership of the dear comrade leader who is leading the serious confrontation with the enemies [*chokdul*] and the difficult and complicated struggle for the socialist construction along the single road to ever-victoriousness and invincibility; and they are firmly convinced of the bright future of our Republic under his exemplary leadership. Because we are upholding the dear comrade leader, who has both literary and military accomplishments, at the head of our Republic, our fatherland is ever-lastingly an impregnable fortress and no one can cause offense to the sovereignty of our nation.

All party members and workers should be endlessly loyal to the dear comrade leader's leadership, while bearing deep in their hearts how fortunate they are in upholding the dear leader Comrade Kim Chong-il, the iron-willed brilliant commander, who is defending the dignity of our Republic. We should become genuine loyalists who can unhesitatingly devote our youth and life along the road to safeguarding, in a death-defying manner, and upholding the dear comrade leader, the fate and guardian of our fatherland and nation; and we should devote even a moment of our life and the whole of our life only to the party and the leader [*suryong*]. We should defend the singlehearted unity of our revolutionary ranks, which are firmly rallied around the dear comrade leader like the apples of our eyes; and should try to see the entire party and the whole society imbued only with the revolutionary ideology of the great leader and the dear comrade leader. When all party members and workers comply with their own pledge of faith, which they confirmed before the departed soul of the fatherly leader, and render all of their loyalty to the dear comrade leader forever, the might of our Republic will be

strengthened by a hundred-fold and a thousand-fold, and the honor of our Republic will be handed down for the generations to come.

In order to endlessly glorify our Republic, which the respected and beloved leader Comrade Kim Il-song founded, consolidated, and developed, our people should achieve great revolutionary upsurges in all fields of revolution and construction with the indomitable struggle spirit.

The respected and beloved leader's lifetime wish was to effect a revolutionary turn in socialist construction. The great leader—who devoted all of his life to the prosperity and development of the Republic, and to the freedom and happiness of the people—brightly elucidated, during his lifetime, detailed tasks and ways arising from the question of accomplishing the party's revolutionary economic strategy and fully displaying the superiority of our-style socialism.

All party members and workers should rise unchangeably, upholding the last wishes of the respected and beloved leader; and should unconditionally and thoroughly accomplish the respected and beloved leader's teachings which were given to their own individual sector and unit. With a guilty conscience of having failed to give greater joy to the respected and beloved leader in his lifetime, everyone of us should fulfill the revolutionary duty allotted to us without fail by displaying a high sense of loyalty; and should know how to always return the party's trust with practical successes. All sectors and all fields of the people's economy should overfulfill the daily, every 10-day, and monthly plans of the people's economy, while finding scarce items and producing what they do not have with the revolutionary spirit of self-reliance and fortitude, the spirit which was given by the respected and beloved leader; and should effect a new turn in the struggle to accomplish the party's revolutionary economic strategy.

To endlessly enhance the function and role of the people's power is a very important work to add endless luster to our-style socialism established by the great leader Comrade Kim Il-song.

By consistently embodying the ideology and leadership of the dear comrade leader in the building of the power, we should strengthen and develop our people's power as an invincible revolutionary power, which invariably and triumphantly advances the revolutionary cause of *chuche* and accomplishes the cause to the end. We should more thoroughly establish the party's leadership system within the people's power; solve all questions arising from the building and activities of the power in a thorough-going manner; and defend the lineage of power that was established by the respected and beloved leader and that is led by the dear comrade leader.

All functionaries, including the functionaries in the people's power organs, should go down deep to the people while upholding the respected and beloved

leader's ideology of "serving the people like heaven" and the dear comrade leader's-presented slogan of "Serve the people"; share the life and death, sorrow and joy with them; take care of people's living with more responsibility; and fulfill their duty as the servants of the people.

To achieve the reunification of the divided fatherland is the most urgent task facing the government of our Republic and all Korean people.

Our Republic is the genuine representative and defender of our nation, which was founded by the collective will of the Korean people, and is the power that is struggling in the interest of the entire Korean nation. In his lifetime, the respected and beloved leader devoted his boundless efforts and energy to achieving the historic cause of the fatherland's reunification, while saying that the biggest gift that he could give to our people was the fatherland's reunification.

The compatriots from all strata in the North, South, and overseas should resolutely turn out in the struggle to realize the fatherland's reunification, upholding the respected and beloved leader's lifetime wishes. We should deal a heavy blow, in the name of the entire nation, to the Kim Yong-sam fascist clique, which is running along the road to division—not to reunification—and should smash [*chitpushyo poryoyahanda*], at every stage, the rascals' maneuverings against reunification. When all compatriots in the North, South, and overseas make active contributions to the cause of the fatherland's reunification—in such a way as those with strength dedicate their strength, as those who have knowledge contribute their knowledge, and as those who have money donate their money—the fatherland's reunification, the greatest long-cherished desire of our nation, will be surely realized. We should vigorously struggle to surely achieve the fatherland's reunification in the 1990's, while the entire nation is united as one, upholding the 10-point program for the grand unity of the whole nation as elucidated by the great leader.

Independence, peace, and friendship are the consistent ideologies the government of our Republic has been maintaining in its external policy. As in the past, we will make active efforts to unite with the socialist countries and the nonaligned nations on the basis of the principle of independence; and will develop the relationships of good-neighborly friendship also with all countries that respect our country's sovereignty.

Today, standing at the head of our party and Republic is the great leader [*yongdoja*] Comrade Kim Chong-il who is brilliantly inheriting and accomplishing the revolutionary cause of *chuche*. As long as the great leader [*yongdoja*] is wisely leading the country and the nation and as long as the great people exist, who are endlessly loyal to the leader [*yongdoja*], our Republic, which was founded, consolidated, and developed by the respected and beloved leader, will be ever-victorious and invincible.

Production of Consumer Goods Movement Praised

SK2410081694 Pyongyang NODONG SINMUN in Korean 12 Sep 94 p 3

[Article by reporter Kim Kyong-chun: "120 Kinds of Consumer Goods From By-Products—From A Tractor Farm Machine Plant in Sinchon County"]

[FBIS Translated Text] The great vitality of the 8 August people's consumer production movement put forth by our party is also highly displayed by the 3 August people's consumer goods production work team of Sinchon County tractor-drawn farm machine plant. The dear leader Comrade Kim Chong-il has noted: We must see to it that the plants and enterprises of the various sectors of the people's economy, such as metal plants and machinery plants, maintain in good shape the work sites and work teams that produce daily necessities and produce in abundance various kinds of sundry goods of daily necessities from the by-products and residual available from plants.

Upholding the party's intent, the plant carried out specific and scrupulous organizational and political work to produce people's consumer goods from the residual and by-products available from the production of basic products and is persistently keeping up with the work.

The plant is now producing approximately 120 kinds of people's consumer goods in not small quantities. The plant's production of 3 August people's consumer goods in terms of value has increased to eight times as much over the last 10 years.

The people's consumer goods produced in such considerable quantities at the plant are available entirely from the by-products and residual, without using basic materials.

Iron scraps, which used to be thrown into the heap of scrap iron, are now transformed into excellent goods, thus contributing much to the improvement of the people's standard of living.

The plant, contributing actively to the struggle to realize the general mechanization of the rural economy under the wise leadership of our party, is producing many farm machines, such as the rice-threshing machine and the pulverizer. In the production process, by-products, such as iron scraps and wooden odds and ends, are made available.

The functionaries of the plant were determined to produce a large quantity of people's consumer goods from the by-products, for which they conducted a specific operation.

Under the guidance of the party organization, all the functionaries and employees of the plant gave great heed to the production of people's consumer goods and firmly built the production base in the first place to increase the production of consumer goods.

The plant organized a work team to concentrate on the job and built the production facilities—ranging from a sample room to a work site to a warehouse. At the same time, the plant made on their own scores of facilities, such as the machine to produce nails for the iron sheets, small-size presses, a catapult, a lathe, plating facilities, and a wooden shelf, to produce the people's consumer goods of various sizes from residual and by-products available from the plant.

By so doing, the plant saw to it that vinyl containers and other vinyl goods are produced from the by-products made available from the reproduction of vinyl chloride sheets, that various kinds of kitchen utensils, farm plows, stoves, sewing machines, and electric fans are made from iron scraps of various sizes, and that nails of various types are made from the poorer quality iron scraps. In this way, the plant was able to produce useful consumer goods by the effective use of by-products and residual, and the kinds of such goods increased to as many as 120.

Thus, the plant is now not only contributing greatly to the general mechanization of the rural economy, but helping the people in the county so much in their daily life that the plant has turned into one that is loved by the people. What proud work the plant has accomplished! dd

South Korea

IAEA Plans Letter to North on Monitoring

SK2410063494 Seoul MUNHWA ILBO in Korean 24 Oct 94 p 2

[By Kim Che-myo]

[FBIS Translated Text] According to diplomatic sources in Seoul on 24 October, the International Atomic Energy Agency [IAEA] will soon send a letter to North Korea and request a document guaranteeing that the IAEA will be able to monitor the nuclear freeze measures on which North Korea and the United States have agreed.

As the current Nuclear Safeguards Accord does not have a legal basis for the IAEA to conduct monitoring activities on North Korea's nuclear freeze measures as manifested in the document of North Korean-U.S. framework agreement, such a decision is apparently followed by the IAEA's belief that additional steps should be taken first, the sources added.

The sources then said that the IAEA, however, has reached a tentative conclusion that the Nuclear Safeguards Accord cannot be partially revised to monitor North Korea's nuclear freeze measures.

Accordingly, public attention is focusing on North Korea's reaction to the IAEA letter which would serve as a first touchstone of Pyongyang's will to implement the North Korean-U.S. agreement.

The Nuclear Safeguards Accord—which was signed between North Korea and the IAEA and went into effect

from April 1992—allows the activities of North Korea's graphite-moderated reactors. However, the basic agreed framework signed between North Korea and the United States on 21 October stipulates that "the freeze on North Korea's graphite-moderated reactors and related facilities will be fully implemented within one month of the signing of the agreement."

In the meantime, government officials said "the United States will submit a report to the UN Security Council on the results of the North Korean-U.S. agreement. Likewise, the IAEA will make a report to the United Nations on the result of its nuclear inspection of the North Korean facilities as part of reports on its annual activities." He then added that "however, such reports are a mere formality, not the activities to map out guarantee measures for the implementation of the agreement."

More Reports on U.S.-DPRK Accord in Geneva

SK2110150494 Seoul YONHAP in English 1458 GMT 21 Oct 94

[FBIS Transcribed Text] Geneva, Oct. 21 (YONHAP)—The United States and North Korea signed an agreement in Geneva Friday [21 October] that ends a nuclear row lasting 18 months.

American Ambassador-at-Large Robert Gallucci and North Korean Vice Foreign Minister Kang Sok-chu signed the "agreed framework" at the North Korean mission office after three weeks of tortuous negotiations on the content and wording.

The two sides also signed a confidential minute that lays out in more detail the actions the two sides will take in resolving the nuclear row and when. The minute, by agreement of the two sides, will not be made public.

The framework that was made public is divided into four main points. One stipulates that the United States and North Korea must cooperate in replacing the North's graphite-moderated reactors with light-water units.

Second, the two sides are to move toward full normalization of political and economic relations. Thirdly, they shall work together to attain peace and security on a nuclear-free Korean peninsula. And finally, they are to cooperate in strengthening the international nuclear non-proliferation regime.

Under these principles, Washington and Pyongyang put into sequence the respective actions they must take.

Washington arranges the 2,000-megawatt-capacity light-water reactor project to be completed by the year 2003 and provides interim energy during the reactor transition period.

North Korea, upon receipt of the U.S. assurance on the reactors and interim energy, freezes its currently operating 5-megawatt reactor, does not reprocess spent fuel

rods, stops construction of two other reactors and allows the International Atomic Energy Agency (IAEA) to monitor the freeze.

The two sides will soon start two sets of expert-level talks, one on reactors and energy supply, and the other on the disposition of spent fuel rods from the 5-megawatt reactor.

Within three months of signing the agreement, the United States will reduce trade and investment restrictions as well as telecommunication and financial transaction barriers.

The two sides are to exchange liaison offices following the resolution of technical issues involved and later upgrade the ties to the ambassadorial level.

Washington is also to assure North Korea against the threat or use of nuclear weapons.

Pyongyang, in return, must adhere to the South-North declaration on denuclearization and engage in inter-Korean dialogue.

'Full Text' of Accord Reported

SK2110145994 Seoul YONHAP in English 1450 GMT 21 Oct 94

[FBIS Transcribed Text] Geneva, Oct. 21 (YONHAP)—Following is the full text of the agreed framework between North Korea and the United States on the North Korean nuclear issue:

"Delegations of the governments of the United States of America (U.S.) and the Democratic People's Republic of Korea (DPRK) held talks in Geneva from Sept. 23 to Oct. 17, 1994, to negotiate an overall resolution of the nuclear issue on the Korean peninsula.

Both sides reaffirmed the importance of attaining the objectives contained in the Aug. 12, 1994, agreed statement between the U.S. and the DPRK and upholding the principles of the June 11, 1993, joint statement of the U.S. and the DPRK to achieve peace and security on a nuclear-free Korean peninsula. The U.S. and DPRK decided to take the following actions for the resolution of the nuclear issue:

1. Both sides will cooperate to replace the DPRK's graphite-moderated reactors and related facilities with light-water reactor (LWR) power plants.

1) In accordance with the Oct. 20, 1994, letter of assurance from the U.S. President, the U.S. will undertake to make arrangements for the provision to the DPRK of a light-water project with a total generating capacity of approximately 2,000 MW(E) [megawatts (electric)] by a target date of 2003.

The U.S. will organize under its leadership an international consortium to finance and supply the light-water

reactors to be provided to the DPRK. The U.S., representing the international consortium, will serve as the principal point of contact with the DPRK for the LWR project.

The U.S., representing the consortium, will make its best efforts to secure the conclusion of a supply contract with the DPRK within six months of the date of this document for the provision of the LWR project. Contract talks will begin as soon as possible after the date of this document. As necessary, the U.S. and the DPRK will conclude a bilateral agreement on cooperation in the field of peaceful uses of nuclear energy.

2) In accordance with the Oct. 20, 1994, U.S. letter of assurance concerning interim energy alternatives, the U.S., representing the consortium, will make arrangements to offset the energy foregone due to the freeze of the DPRK's graphite-moderated reactors, pending completion of the first LWR unit.

—alternative energy will be provided in the form of heavy oil for heating and electricity production.

—delivery of heavy oil will begin within three months of the date of this document and will reach a rate of 500,000 tons annually, in accordance with an agreed schedule of delivery.

3) Upon receipt of U.S. assurances for the provision of light- water reactors and for arrangements for interim energy alternatives, the DPRK will freeze its graphite-moderated reactors and related facilities and will eventually dismantle these reactors and related facilities.

—the freeze on the DPRK's graphite-moderated reactors and related facilities will be fully implemented within one month of the date of this document. During this one-month period, and throughout the freeze, the IAEA [International Atomic Energy Agency] will be allowed to monitor this freeze, and the DPRK will provide full cooperation to the IAEA for this purpose.

—dismantlement of the DPRK's graphite-moderated reactors and related facilities will be completed when the LWR project is completed.

—the U.S. and DPRK will cooperate in finding a method to store safely the spent fuel from the SMW(E) experimental reactor during the construction of the LWR project, and to dispose of the fuel in a safe manner that does not involve reprocessing in the DPRK.

4) As soon as possible after the date of this document U.S. and DPRK experts will hold two sets of experts talks.

—at one set of talks, experts will discuss issues related to alternative energy and the replacement of the graphite-moderated reactor program with the LWR project.

—at the other set of talks, experts will discuss specific arrangements for spent fuel storages and ultimate disposition.

II. The two sides will move toward full normalization of political and economic relations.

1) Within three months of the date of this document, both sides will reduce barriers to trade and investment, including restrictions on telecommunications services and financial transactions.

2) Each side will open a liaison office in the other's capital following resolution of consular and other technical issues through expert-level discussions.

3) As progress is made on issues of concern to each side, the U.S. and DPRK will upgrade bilateral relations to the ambassadorial level.

III. Both sides will work together for peace and security on a nuclear-free Korean peninsula.

1) The U.S. will provide formal assurances to the DPRK, against the threat or use of nuclear weapons by the U.S.

2) The DPRK will consistently take steps to implement the North-South Joint Declaration on the Denuclearization of the Korean Peninsula.

3) The DPRK will engage in North-South dialogue, as this agreed framework will help create an atmosphere that promotes such a dialogue.

IV. Both sides will work together to strengthen the international nuclear non-proliferation regime.

1) The DPRK will remain a party to the treaty on the non- proliferation on nuclear weapons (NPT) and will allow implementation of its safeguards agreement under the treaty.

2) Upon conclusion of the supply contract for the provision of the LWR project, ad hoc and routine inspections will resume under the DPRK's safeguards agreement with the IAEA with respect to the facilities not subject to the freeze. Pending conclusion of the supply contract, inspections required by the IAEA for the continuity of safeguards will continue at facilities not subject to the freeze.

3) When a significant portion of the LWR project is completed, but before delivery of key nuclear components, the DPRK will come into full compliance with its safeguards agreement with the IAEA [word indistinct], including taking all steps that may be deemed necessary by the IAEA, following consultations with the IAEA with regard to verifying the accuracy and completeness of the DPRK's initial report on all nuclear material in the DPRK."

Kang, Gallucci News Conferences

SK2210011894 Seoul YONHAP in English 0106 GMT
22 Oct 94

[FBIS Transcribed Text] Geneva, Oct. 21 (YONHAP)—North Korea will have to allow international nuclear

inspections in about five years, a slight delay that is not too significant politically or militarily, the top U.S. negotiator said Friday.

After signing an historic agreement with North Korea that reins in the communist state's suspicious nuclear ambitions, Ambassador-at-large Robert Gallucci said in a press conference the accord is a major opportunity the North Koreans should take advantage of.

Gallucci signed the accord with North Korean Vice Foreign Minister Kang Sok-chu after 19 months of off-and-on negotiations. The United States agreed to provide light-water reactors and an interim energy supply while North Korea pledged to freeze its present and future nuclear activities and ultimately dismantle its atomic facilities.

The special inspections of the North's past activities will occur about five years from now, according to Gallucci, just before delivery of the core parts of the light-water reactors.

Dismantlement will begin when one of the two light-water reactors is finished and completed by the time the second one is fully delivered.

The two sides agreed to remove economic and trade barriers and work toward full diplomatic relations, starting with an exchange of liaison offices.

Denying that Washington made too many concessions, Gallucci said his country had three choices in dealing with the North Korean nuclear crisis—to ignore it, to strike back with sanctions, or to negotiate.

Negotiation, then, was the only viable choice, he said.

Kang Sok-chu, in a separate news conference, repeated his country's insistence that it has neither the intention nor the capability to develop nuclear weapons.

He said the accord forms the basis for normalizing abnormal relations and building mutual trust with the United States.

He confirmed that he had received a letter from U.S. President Bill Clinton guaranteeing the provision of light-water reactors and an interim energy supply.

The letter was addressed to Kim Chong-il, whom Kang called "the supreme leader," a title held by his late father.

The junior Kim is Kim Il-song's only designated heir, Kang said, and it's only a matter of time before he officially takes the helm. Kim Chong-il has yet to formally inherit the positions of power left vacant after his father's death in July.

Asked about Pyongyang's position on inter-Korean dialogue, Kang said his country will engage in dialogue depending on the accord's implementation and creation of the proper atmosphere.

Signing of Agreement Sketched

SK2210022094 Seoul YONHAP in English 0211 GMT
22 Oct 94

[FBIS Transcribed Text] Geneva, Oct. 21 (YONHAP) [dateline as received]—U.S. and North Korean negotiators signed a framework agreement Friday on restructuring the communist state's nuclear program at the North Korean mission in this Swiss city.

The accord was inked by the United States' chief negotiator, Ambassador-at-large Robert Gallucci, and his North Korean counterpart, Vice Foreign Minister Kang Sok-chu, at 4:30 PM in the "Culture Hall" of the North Korean mission, used previously for the nuclear negotiations. The signing took only two minutes.

The ceremony was to take place at 3 PM but was delayed due to the late arrival by the U.S. delegation.

Gallucci showed up at the North Korean mission at around 3:25 PM and his counterpart Kang, accompanied by two assistants, came out of the annex building to greet the American.

The 12-member North Korean delegation, lined up in a 20-meter row from the porch to the conference room, shook hands with each member of the U.S. delegation as they proceeded to the hall.

Prior to the signing, the delegations held their last plenary session for about 40 minutes and then moved to the Pyongyang mission's main building so that the hosts might prepare the site for the signing ceremony. In the main building they chatted over light refreshments.

Around 4:30 P.M., Gallucci and Kang entered the signing room in that order and seated themselves, with 10 delegates lining up behind each of them.

The two chief delegates, who appeared to be slightly tense, sat without exchanging any words. Upon signing the framework agreement given to them by their assistants, they shook hands to the applause of the other delegates.

Leaving the signing room, Kang told reporters "See you again." Gallucci chimed in "Me too," to a burst of laughter.

Both delegations returned to the main building to attend a reception which ended at around 5 P.M.

Leaving the North Korean mission, the chief U.S. negotiator was asked jokingly by a reporter, "Was there any progress at today's meeting?" Gallucci erupted into laughter and clapped his hands, recalling how the question had been posed following each negotiating session.

The "Culture Hall" where the signing took place is the ground floor of a two-story annex building, used for film screenings and other events.

For the nuclear negotiations, the North used to provide two tables measuring 1 meter by five meters each in a

100-square-meter hall. For the signing ceremony, they placed only one table in front of the hall, on which the national flags of the two countries were set.

Over 100 reporters covered the signing ceremony, more than half of them from Western countries. The negotiations had been covered mainly by Korean and Japanese journalists in the past.

Unlike the previous practice of allowing reporters to enter their compound freely with the door left wide open, the North Korean mission Friday checked journalists' identity cards with the help of Swiss police.

The North Korean mission treated reporters who were waiting for a press conference with Kang following the signing ceremony to refreshments and North Korean liquor.

Foreign Minister Reports Outcome

SK2210031194 Seoul YONHAP in English 0304 GMT
22 Oct 94

[FBIS Transcribed Text] Seoul, Oct. 22 (YONHAP)—Foreign Minister Han Sung-chu said Saturday that the Washington-Pyongyang nuclear agreement, "in the overall analysis, reflects the minimum policy goal we have pursued."

Reporting the outcome of the Geneva nuclear negotiations to the National Assembly Foreign Affairs and Unification Committee, Han said, "the timing of special inspections has been put off somewhat from what was originally expected. It is significant, however, that North Korea has accepted and committed itself to complying with special inspections for the first time since it declared its withdrawal from the Nuclear Nonproliferation Treaty."

North Korea has agreed to freeze and dismantle its nuclear program under the framework accord with the United States, Han noted. "This renders it possible to block at the source the North's possibility of developing nuclear weapons, let alone preventing its nuclear development."

Referring to the exchange of liaison offices between Washington and Pyongyang, Han told the parliamentary committee: "It won't be easy to solve various technical problems. Improved Washington-Pyongyang relations should go hand in hand with progress in inter-Korean relations. Accordingly, it is difficult to predict when the liaison offices will be opened."

On normalization of diplomatic relations between the United States and North Korea, Han said: "South Korea and the U.S. are firm that it should be preceded not only by the resolution of the nuclear matter, but also by that of various issues between them including chemical weapons and human rights."

Stressing the need for North Korea to faithfully implement the nuclear agreement, the foreign minister said

that should Pyongyang violate the accord and resume its nuclear activities, "we will never sit by idly, but take resolute and strong steps in conjunction with the international community."

International Law Suggested

SK2210082494 Seoul TONG-A ILBO in Korean
22 Oct 94 p 3

[Editorial: "North Korea-U.S. Agreement Must Be Transformed Into International Law"]

[FBIS Translated Text] The DPRK-U.S. agreement in Geneva is a mere framework that enumerates what should be done to denuclearize the Korean peninsula. What lies ahead is whether North Korea will implement its promises on such issues as special inspections and other measures necessary to dispel North Korea's nuclear suspicions; the freeze of its nuclear activities and the dismantlement of related facilities; the storage of the spent nuclear fuel rods; and North Korea's return to the Nuclear Nonproliferation Treaty. What also lies ahead is how we will confirm whether North Korea has fulfilled its promises. There is also the issues of supplying energy alternatives, constructing light-water reactors, engaging in North-South dialogue, and improving North Korea-U.S. relations. All provisions under the agreement are interlinked. Therefore, the danger for the North Korea-U.S. agreement is that if something goes wrong in one phase, the entire agreement will be jeopardized.

If North Korea feels an impulse to break up the agreement, it will lawfully be able to achieve its goal by finding fault with one phase of the implementation of the agreement. Therefore, it is necessary to provide a mechanism to urge North Korea to implement the agreement, verify its implementation, and take appropriate countermeasures if Pyongyang does not implement it. Toward this end, it is necessary to transform the North Korea-U.S. agreement into international law. The UN Security Council must intervene. When the UN Security Council adopted a resolution calling on the countries concerned to resolve the North Korean nuclear problem, Pyongyang and Washington began bilateral negotiations. Therefore, as a matter of course, North Korea and the United States must report the results of their negotiations to the UN Security Council, and the UN Security Council must adopt a resolution certifying the agreement.

North Korea may reject this idea. It is doubtful whether Pyongyang Korea will approve making binding under international law the confidential minutes of the agreement, minutes which Pyongyang does not want made public. North Korea must oblige. One of the reasons the North-South Basic Agreement was not implemented was the lack of a bilateral agreement on how to resolve disputes. The North Korea-U.S. agreement may end up as mere piece of scrap paper unless measures are provided to do deal with the possibility that North Korea

will delay the implementation of the North Korea-U.S. agreement or even break it up.

After North Korea and the United States reached agreement on the nuclear problem, Hans Blix, director general of the International Atomic Energy Agency [IAEA], demanded the UN Security Council delegate new power to the IAEA to ensure the agency verifies the implementation of the North Korea-U.S. agreement. He did so because the North Korea-U.S. agreement asks the IAEA to implement verification duties, which are beyond its normal duties under the Nuclear Safeguards Accord, as well as made light of the IAEA. The implementation of the North Korea-U.S. agreement depends on how sincerely North Korea will cooperate with IAEA inspections and verifications.

Nevertheless, the North Korea-U.S. agreement has confronted the IAEA with difficulties in which it will be acceptable if North Korea ignores the IAEA's position. Thus, it is necessary for the UN Security Council to adopt a new resolution to bring an end to the confusion in the NPT system which may result from the North Korea-U.S. agreement. This is another reason the North Korea-U.S. agreement should be transformed into international law.

Task Force To Study Reactors Financing Planned

SK2210001794 Seoul THE KOREA HERALD in English 22 Oct 94 p 2

[By staff reporter Kim Hye-won]

[FBIS Transcribed Text] The South Korean government will soon form an interministerial task force to study how to finance and build two light-water reactors in North Korea.

With Vice Foreign Minister Pak Kon-u as its head, the group is expected to be composed of officials of the National Unification Board, the Foreign Ministry, the Agency for National Security Planning and several economic ministries including the Economic Planning Board and the Ministry of Finance as well as the Korea Electric Power Corp. (KEPCO) and other related agencies.

A government official said the task force is to work out a comprehensive plan related to Seoul's participation in the North Korean project including how to finance it.

The group will also seek ways to maximize politically and economically the chance to participate in the project, the official said.

The construction of two light-water reactors in North Korea has been promised by the United States to replace its graphite-moderated reactors.

Graphite-moderated reactors using gas as coolant tend to produce more plutonium, an ingredient of nuclear

bombs. It is also more difficult for the outsiders to trace the plutonium produced in those reactors because they are fed by natural uranium.

In addition, the graphite-gas reactors are known to have safety problems. The world's most tragic nuclear accident in Chernobyl in the former Soviet Union involved reactors of the same type.

Light-water nuclear reactors, on the other hand, are known to be more oriented toward peaceful use of nuclear energy. They produce less plutonium and are safer. Enriched uranium is used as fuel and allows easier checks by outsiders.

There are still some other motivations that made South Korea active in assuming a leading role in the project.

Seoul, first of all, wants to make use of the opportunity in promoting exchanges with Pyongyang, with which it has had no substantial relations since their division in 1945.

Officials said about 1,000 South Korean officials, experts and workers are expected to visit North Korea over the next 10 years until the completion of the nuclear reactors.

The frequent visits between the two sides is expected to promote inter-Korean exchanges in other fields.

In addition, South Koreans hope that they would accumulate experiences in building nuclear reactors.

U.S. and South Korean officials said North Korea has allowed the United States to provide reactors modeled after those built in South Korea.

The so-called South Korean-type nuclear reactors are developed here based on a model originating from the United States. An atomic power plant in Ulchin, South Kyongsang Province, has two of such reactors.

Therefore, if everything goes smoothly from now on, the South would be able to build nuclear reactors outside its territory for the first time and obtain international recognition as an exporter of nuclear reactors.

Moreover, as the international community has already approved the construction of reactors in North Korea, the South can easily obtain a relief in tough international regulations concerning the transfer of nuclear technology while working on the project.

South Korean officials also appear to have in mind an energy supply scheme in the country after unification. The two 1,000-megawatt reactors are expected to contribute to easing an energy shortage after the two countries are reunified.

But the problem lies with how to finance the project.

How much Seoul would share in the total cost of \$4 billion would be decided after the related countries form an international consortium, known as the Korea Energy Development Organization (KEDO).

Five countries including South Korea, the United States, Japan, China and Russia, are certain to be in the group. Several more countries are expected to attend the organization.

It was earlier reported that South Korea may have to share some 70 percent or \$3 billion of the total cost of \$4 billion. Japan is expected to provide the remainder.

The United States is likely to pay \$100 million as money for operation of the consortium.

South Korean officials are reportedly studying a plan to form the necessary fund with the income of the Korea Electric Power Corp.

Some officials say it wouldn't be a big problem to raise the money in this way over the 10 years.

The South Korean government has not yet decided, however, how it would be repaid the money from North Korea.

An official earlier said North Korea is expected to repay the money but discussions on this problem have not been made yet.

KEDO will also decide on this matter, he said.

'War of Nerves' Over Light-Water Reactors Noted

*SK2410065194 Seoul CHUNGANG ILBO in Korean
24 Oct 94 p 6*

[Article by reporter Kang Yong-chin: "A War of Nerves Over Expenses for Light-Water Reactors"]

[FBIS Translated Text] As the North Korea-U.S. nuclear negotiations have concluded, the international community will start the work of forming an international consortium for building light-water reactors for North Korea and the work of splitting expenses.

The composition of this consortium is closely related to how to split the expenses. Therefore, the ROK, the United States, and Japan are engaged in a delicate war of nerves, and the results will be noteworthy.

U.S. President Clinton said on 21 October that the ROK and Japan would pay for most of the expenses for the light-water reactors and fuel alternatives.

In the ROK, the president and the government showed its sensitivity to this by readily rejecting his remarks.

The U.S. Government unofficially confirmed through diplomatic channels that the President's remarks were mistaken. However, the ROK and Japan suspect that this was a high-class ploy to make the ROK and Japan pay for large portions of the expenses.

Japan, on its part, is floating the idea on how much of a percentage will Japan pay and how much money will Japan spend, in an effort to try to reduce its share.

This shows that the pragmatist diplomacy of "gaining most with the least expenses" is being pursued at a time when the nuclear negotiations have been concluded and a framework has been given for solving the nuclear problem.

The ROK Government is taking pains in doing so, as well.

Some people say the ROK will share expenses even though it failed to fulfill its goal of making North Korea receive special inspections, which Seoul assuredly said it would. In this respect, the ROK Government is worrying that it may end up with the biggest share.

Reports from the United States note that the United States expects the ROK to assume approximately 70 percent of the \$4 billion, Japan approximately 20 percent, and the United States, Germany, and other Western countries the remainder.

Our government is of the position that our share will be over 50 percent but will not exceed two thirds.

The government estimates the costs for the construction of two light-water reactors at \$3.8 to four billion, at least. This means that the ROK will share \$1.9 billion (1.52 trillion won), at least, to \$2.7 billion (2.16 trillion won), at most.

How to share expenses is related to how the consortium for building light-water reactors is formed.

The ROK, the United States, and Japan have so far expressed their intention to join the consortium, and the United States has reportedly been tapping opinions of nine countries.

The United States hopes to increase the number of participating countries. Some people worry that, then, the ROK's leading position in the consortium would be weakened.

How to form the international consortium will be discussed in earnest starting this week, and the results will be noteworthy because the countries concerned have different views.

Reaction to Clinton's Remarks on Oil for North

*SK2210014994 Seoul YONHAP in English 0137 GMT
22 Oct 94*

[FBIS Transcribed Text] Washington, Oct. 22 (YONHAP)—A controversy may be brewing over who will bear the cost of providing North Korea with heavy fuel oil, as U.S. President Bill Clinton said Thursday that South Korea would pay for the oil as well as for light-water reactors.

"South Korea, with support from Japan and other nations, will bear most of the cost of providing North Korea with fuel to make up for the nuclear energy it is losing," Clinton said at a press conference Thursday.

"And they will pay for an alternative power system for North Korea that will allow them to produce electricity while making it much harder for them to produce nuclear weapons," he said.

Senior South Korean diplomats here, however, are refuting Clinton's remarks.

"It has not been discussed at all whether Seoul is to bear the cost of providing heavy oil," a South Korean diplomat said. "I think he (Clinton) misunderstood the problem. As of now, South Korea does not have any intention to pay for the heavy oil."

Recent comments by senior U.S. officials differed somewhat from the position taken by South Korea.

Assistant Secretary of State Robert Gallucci said during a briefing Wednesday at the Foreign Press Center here, "I expect the alternative energy in the early months... the United States will take up the responsibility for that. But very soon I would hope that our consultations in KEDO (Korea Energy Development Organization) would allow us to shift the burden to broader international shoulders so that other countries will assist in providing the alternative energy in the form of heavy oil."

State Department spokeswoman Christine Shelly said at a news briefing Thursday: "Now, there is the 5 million dollars which has been referred to that the U.S. has undertaken to pay for the initial shipment of heavy oil that would be shipped to the DPRK."

In light of such remarks by American officials, the United States seems to think that it will pay about 5 million dollars for the heavy oil to be shipped to North Korea within three months, but that it will leave most of the cost of providing alternative energy to South Korea and Japan.

The South Korean Government, however, reportedly has no intention of shelling out cash for oil in addition to paying for the light-water reactors. Consequently, disagreement with the United States over who must bear the cost of the oil may be inevitable, according to South Korean diplomats here.

Meanwhile, Clinton said that the "agreed framework" with North Korea signed in Geneva is a good deal for the United States.

He said, "North Korea will freeze and then dismantle its nuclear program. South Korea and other allies will be better protected."

"The United States and international inspectors will carefully monitor North Korea to make sure it keeps its commitments. Only if it does so will North Korea fully join the community of nations."

'No Intention of Paying' for Oil

SK2210025794 Seoul YONHAP in English 0249 GMT
22 Oct 94

[FBIS Transcribed Text] Seoul, Oct. 22 (YONHAP)—The government has no intention of paying for heavy

fuel oil that will be supplied to North Korea as alternative energy in exchange for freezing its nuclear program.

The government's position comes in response to U.S. President Bill Clinton's remark Friday that "South Korea, with support from Japan and other nations, will bear most of the cost of providing North Korea with fuel to make up for the nuclear energy it is losing."

High-level officials from the Foreign Ministry met Saturday and instructed the South Korean Embassy in Washington to assess the real intent behind Clinton's statement. The meeting was attended by First Assistant Minister Choe Tong-chin and Nuclear Ambassador Kim Sam-hun.

If Clinton's comment is confirmed as official U.S. policy, a dispute is likely to arise between Seoul and Washington over sharing the burden of the heavy oil for North Korea.

However, the American Embassy in Seoul has reportedly explained that Clinton's remark on the issue might be inaccurate.

A highly placed government official made it clear that Washington has not asked Seoul to pay for the oil, nor did the two sides discuss the issue.

He said that in the initial stages, the heavy oil destined for North Korea will be small in quantity. As time passes, the amount will gradually increase to 500,000 tons per year. "The United States and Japan have to undertake the provision for the most part," he stressed.

Meanwhile, Foreign Minister Han Sung-chu told the National Assembly Foreign Affairs-Unification Committee that the government is not considering sharing the heavy oil burden at the present stage and the United States has not broached the matter.

Another government official said the supply of heavy oil would be undertaken mostly by the United States and Japan as South Korea will play the central role in providing light-water nuclear reactors to North Korea.

But South Korean officials are concerned that Seoul may have to pay for some of the oil if pressed by Washington.

One official noted the possibility of such American pressure being applied in the international consortium—the Korea Energy Development Organization (KEDO)—which will also deal with the alternative energy supply in addition to the light-water reactors.

The U.S.-North Korean agreement signed in Geneva calls for the supply of 50,000 tons of heavy oil to North Korea within three months and 500,000 tons annually by 2001 after KEDO's formation.

President: Remarks 'Not True'

SK2210060694 Seoul YONHAP in English 0556 GMT
22 Oct 94

[FBIS Transcribed Text] Seoul, Oct. 22 (YONHAP)—President Kim Yong-sam on Saturday denied as "not

true" the recent remarks by U.S. President Clinton that South Korea, too, should bear part of the cost of providing substitution oil to North Korea in addition to support for light-water reactors.

Chongwadae [presidential offices] spokesman Chu Ton-sik said the president told senior Chongwadae secretaries that "We were not consulted on the cost of heavy oil for North Korea... we are not supposed to bear any cost of heavy oil."

In this connection, Senior Presidential Secretary for Foreign and National Security Affairs Chong Chong-uk said White House National Security Advisor Anthony Lake explained to him over the phone that President Clinton's remarks at issue were a mistake.

Meanwhile, the spokesman of the Foreign Ministry said the United States had never asked South Korea to provide a financial support for the provision of substitution energy to North Korea.

"Our government therefore had never promised such a support nor does it consider now assuming such a financial share," the spokesman said.

During his Oct. 21st press conference, Clinton said, "South Korea, with support from Japan and other nations, will bear most of the cost of providing North Korea with fuel to make up for the nuclear energy it is losing..."

Daily Opposes Burden of Cost

SK2310044794 Seoul CHOSON ILBO in Korean
23 Oct 94 p 3

[Editorial: "We Cannot Be Burdened With the Cost of Heavy Oil"]

[FBIS Translated Text] If we are to take part in assisting North Korea with the construction of the light-water reactor, we at least have the right to know what went on and what was discussed at the U.S.-DPRK Geneva talks. However, we are very suspicious about the extent of our government's consultations with the United States and how much information it has on this matter. If sufficient consultations and cooperation are being carried out between the two countries' officials, the government must be able to give a clear-cut explanation as soon as possible of the suspicions, ambiguity, and uncertainty that has spread among the people regarding this matter. However, unfortunately, this is not the case at the present.

Matters on why we must take the initiative in assisting North Korea with the construction of the light-water reactor; why the United States is trying to wrestle with someone else's thigh band; and whether we can take a worthy initiative if we pay a good sum of money, have not been clarified to our satisfaction. Aside from the issue of the light-water reactor, the issue of the expense

of the so-called substitute energy, which will be given as assistance to North Korea, is also ambiguous and full of suspicions.

Not a single word was mentioned about the expense of substitute energy at the early stage of the U.S.-DPRK agreement. However, suddenly, the issue of our share in the expense was put forth. Thus, the people's mistrust and suspicions surrounding the U.S.-DPRK agreement were increased even further. The foreign minister denied this. The Foreign Ministry's spokesman strongly denied this by saying: "We have not been called on to share the expense, nor have we discussed this matter. We are not even considering this matter." Nevertheless, U.S. President Clinton revealed that with the assistance of various countries, including Japan, the ROK "will assume most of the expenses in supplying heavy oil to North Korea."

We believe that the government needs to give a more detailed explanation about how such a confusion got started. Also, at a time when we are overburdened with the expense of the light-water reactor, there is no reason at all for us to be burdened with providing the substitute energy the United States promised North Korea as a gift. It might be possible that energy assistance to North Korea is a result of direct dialogue and negotiations between South and North Korea, but we must not continue the foolish act of showing talents at someone else's party.

Clinton's 'Negative Security Assurance' Viewed

SK2210015794 Seoul YONHAP in English 0141 GMT
22 Oct 94

[FBIS Transcribed Text] Seoul, Oct. 22 (YONHAP)—The United States guaranteed not to use or threaten use of nuclear weapons against North Korea in a letter from President Bill Clinton to the North's de facto leader Kim Chong-il, sources here said Saturday.

This "negative security assurance" comes six months earlier than expected and was not announced to the public since it might set a negative precedent for U.S. nuclear policy, they said.

Clinton's letter guaranteeing the provision of light-water reactors and an interim supply of energy during the reactor transition period was delivered to North Korea in Geneva, where the two sides signed a historic nuclear agreement Friday.

The letter, according to the sources, also contained a guarantee against nuclear attack.

The sources said Washington made the same promise verbally last August during high-level dialogue with Pyongyang.

Washington was expected to give a formal assurance in about six months when the contract for the light-water reactors is to be signed.

"The security assurance is part of the U.S.-North Korea nuclear framework agreement," said one source. "The inherent meaning is that North Korea, too, as stated in the framework agreement, must take consistent actions to implement the inter-Korean declaration on denuclearization."

U.S. Forces Preparing for 1995 'Team Spirit'

*SK2410024094 Seoul YONHAP in English 0222 GMT
24 Oct 94*

[FBIS Transcribed Text] Seoul, Oct. 24 (YONHAP)—The U.S. Forces in Korea (USFK) are proceeding as scheduled with preparations for next year's "Team Spirit," the annual joint military exercise between South Korea and the United States, a USFK official said Monday.

He said that working-level officials are now studying the future of Team Spirit but that no detailed measures have been decided yet, such as its abolition or a scaleback as reported recently.

As for this year's Team Spirit, the official said, the defense chiefs from the two nations officially decided to cancel the maneuvers last Friday because of the time limit which had been set for November.

No official discussion, however, has taken place on next year's Team Spirit, he added.

The two countries should study the military drill's fate after considering North Korea's actions in the wake of the nuclear negotiations in Geneva and the overall situation on the Korean peninsula, he said.

Meanwhile, Gen. John Shalikashvili, chairman of the U.S. Joint Chiefs of Staff who is visiting Manila, hoped that next year's Team Spirit will go ahead in March as scheduled, pointing out that North Korea's conventional offensive capability continues to pose a considerable threat.

Defense Ministry Publishes Book on Nuclear Issue

*SK2410050494 Seoul SEOUL SINMUN in Korean
24 Oct 94 p 5*

[Article by reporter Pak Chae-pom]

[FBIS Translated Text] In connection with the North Korean nuclear situation, on 23 October the ROK Defense Ministry published a book "100 Questions and 100 Answers on the Nuclear Issue" for the education of officers and men of the ROK Army and distributed it to various units.

The Defense Ministry's Office of Arms Control (chief, Major General Kim Yong-ku) published this book. The 100 questions contained in this book deal with "differences between heavy-water reactors and light-water reactors," "nuclear capability of Japan and China and their

potential," "effects of North Korea's possession of nuclear weapons on security on the Korean peninsula." The book is composed of 10 chapters, including "Basic Understanding of the Nuclear Weapons," "Status of North Korea's Nuclear Weapons Development and Its Problems," "Government's Nuclear Policy," and "Major Nuclear Policies and the International Arms Control."

The book also cites English abbreviations of important military terms such as ABM (antiballistic missile), CTBT (Comprehensive Test Ban Treaty), and HEU (highly enriched uranium). Therefore, the book will provide students and other ordinary people with information on nuclear data. One can obtain a copy of this book from the Defense Ministry's Information Office (Telephone No. 748-6071) free of charge.

Here are excerpts of the book:

Light-water reactors, heavy-water reactors, and graphite-moderated reactor—Light-water reactors, developed by the United States, use ordinary water (light water) as a coolant and a moderator. Their safety and economical efficiency are excellent; 78 percent of the reactors of the world are of this type. Light-water reactors are not appropriate for developing nuclear weapons. The Canadian-developed heavy-water reactors (CANDU) use heavy water as a coolant and a moderator. It is easy to extract plutonium for developing nuclear weapons from this type because fuel is reloaded almost everyday. Graphite-moderated reactors in North Korea use carbon dioxide as a coolant and graphite as a moderator. Construction costs are low. Even nuclear powers made nuclear weapons by using this type of reactors at first.

A Convention on the Total Ban on Testing—This is a multilateral treaty that countries are trying to sign to ban all nuclear tests, including nuclear tests for peaceful purposes, underground, under the water, in the atmosphere, and in space. Efforts to sign such a treaty were accelerated this year. The conference on disarmament held in Geneva in January, May, and July discussed the draft treaty and verification procedures.

Status of North Korea's nuclear development—North Korea has approximately 3,000 nuclear scientists. Among them, approximately 200, including scientists of the former Soviet Union, are in charge of nuclear development. North Korea is capable of manufacturing primitive nuclear explosive devices. Still, it will take several years to develop nuclear weapons.

Whether to perpetually suspend the Team Spirit exercise after the nuclear problem is resolved—Suspension of the Team Spirit exercise can be examined when North Korea abandons its tactics and strategy of reunifying Korea by communizing South Korea and when North and South Korea take visible measures to build military trust.

Japan's nuclear potential and China's nuclear capability—Japan possesses two to three tonnes of plutonium at

home and three tonnes abroad. It is pursuing to develop rockets for launching satellites and nuclear-powered ships. Therefore, it will be able to arm itself with nuclear weapons in a few months if the situation at home and abroad changes. China possesses 12 ballistic missiles and a nuclear-powered submarine. It also possesses 110 intercontinental ballistic missiles capable of attacking the entire Asian region and 180 bombers. China conducted its 40th nuclear test last June, which shocked the United States, the ROK, and other countries that have sought to peacefully resolve the North Korean nuclear problem.

Seoul: N-S Trade Not Subject to GATT Rules

*SK2210150094 Seoul TONG-A ILBO in Korean
21 Oct 94 p 2*

[FBIS Translated Text] The government has revealed its position that trade between North and South Korea is an internal transaction, and thus will not be subject to the application of regulations imposed by the General Agreement on Tariffs and Trade [GATT]. Regarding indications that tariff-free trade between North and South Korea is against GATT regulations, a relevant official in the Ministry of Commerce, Industry, and Energy stated on 20 October: "Based on legal advice obtained from GATT experts and through consultations among relevant agencies and offices in the government, our government has formulated its position that North-South trade is an internal transaction, and thus is not subject to the application of GATT regulations."

The official also noted: "The ROK government's position is based on the international legal viewpoint expressed in the Vienna Accord stipulating that the UN Charter, which recognizes the right of self-determination of divided countries, takes precedence over GATT regulations." He pointed out that in actuality, North and South Korea have declared through each side's Constitution and through the North-South Agreement that North-South trade is an internal transaction.

The official added that even if a third country protests that North-South trade is to be carried out on a full scale, the World Trade Organization [WTO] will insure the justness of our position based on international law.

In addition, when Germany joined GATT in 1951, it inserted an article in the protocol for application stipulating that trade between East and West Germany was an internal transaction. However, our nation did not insert this article when we joined GATT in 1967; as a result, our nation should withdraw from GATT and then rejoin in order that GATT recognizes our nation's inclusive exception, as in the case of Germany.

North Re-Issues Bonds for Foreign Exchange

*SK2210030094 Seoul YONHAP in English 0238 GMT
22 Oct 94*

[FBIS Transcribed Text] Seoul, Oct. 22 (YONHAP)—North Korea, suffering from a severe foreign exchange

shortage, is reportedly selling treasury bonds again to pro-Pyongyang Korean businessmen and repatriates' families in Japan.

According to the official North Korea watcher here, NAEWOE Press, Pyongyang recently re-issued the bonds, which it first issued in 1990, and almost coerced Korean businessmen and repatriates' families affiliated with a pro-North Korean association of Korean nationals in Japan called Chochongnyon to buy them in an attempt to tide over its foreign exchange crisis.

The bonds, issued at two par values of 100,000 yen and 1 million yen, mature in 10 years and holders of these bonds are paid interest of 6 percent a year during this maturity period.

The foreign exchange funds raised through these yen-denominated bonds are managed by "Room 39" of the Workers' Party Central Committee, known to be responsible for raising Kim Chong-il's confidential funds, and are loaned to selected trading houses and joint-venture firms at an annual interest rate of 15 percent.

On the other hand, the North Koreans are racking their brains to boost unlawful sales of imported used cars in China, the North's other means of earning foreign exchange, as such sales have recently dropped sharply.

According to the latest information available on North Korea, it has imported some 30,000 used cars from Japan, the United States and Germany since 1992, with an eye to smuggling them into China for precious foreign exchange. Of these cars, about 20,000 have been successfully smuggled into China but the remaining 10,000 are now kept in such border cities as Musan and Sinuiju as the smuggling route to China has been virtually blocked since mid-1993. In order to promote its automobile industry, Beijing began strictly controlling used car smuggling from North Korea and even filed with a strong protest with Pyongyang.

Until last year, North Korea had made handsome profits on this used car smuggling business, as it imported the cars at 400 to 3,000 dollars per unit and sold them for 4,000 to 5,000 dollars in China.

Moreover, the North is suffering a lack of facilities at which to store the imported cars until they are sold. For instance, in Chongjin, a port city where imported used cars are unloaded, the dearth of storage facilities has led to parking many imported cars on school grounds.

Of late, North Korea has begun producing many literary works eulogizing the late Kim Il-song in an apparent move to solidify Kim Chong-il's power base. The rationale is that because Kim Il-song was great, his son and heir-designate, Kim Chong-il, is also great.

Since the elder Kim's death last July, over 100 poems extolling his greatness have been published, including one entitled "The Great Leader Is With Us Eternally." In

addition, some 700 paintings and sculptures portraying him have been put on display in Pyongyang and other cities.

In addition, a film lauding him was screened around the dedication on Oct. 11 of the renovated tomb of Tangun, the founder of Korea, near Pyongyang and a group gymnastics show presenting Kim Il-song as the sun and Kim Chong-il as the moon was performed in Pyongyang close to the 100-day memorial service for Kim Il-song on Oct. 16.

Government Studies Inter-Korean Cooperation

SK2410010294 Seoul YONHAP in English 0054 GMT 24 Oct 94

[FBIS Transcribed Text] Seoul, Oct. 24 (YONHAP)—The government will announce this week first-phase measures to promote economic cooperation with North Korea now that Pyongyang and Washington have signed a landmark agreement settling the nuclear row.

Under the measures, the government will allow business people to visit the North for investment market surveys, encourage exports of raw materials to the North for processing and re-import of finished products, and permit the entry of North Koreans participating in international meetings held in the South on a reciprocal basis, an official said Monday.

The government is also considering permitting private-level contacts with North Koreans such as academic and religious meetings, which at present are virtually banned in connection with the North Korean nuclear issue, he added.

In addition, it will seek to resume inter-Korean dialogue, with the accent on implementation of the basic South-North agreement and the accord on a nuclear-free Korean peninsula. But a decision on whether to make new diplomatic overtures to the North will not be taken until its new leadership is established, the official said.

Deputy Prime Minister and National Unification Minister Yi Hong-ku will call a meeting of unification- and inter-Korean cooperation-related ministers as early as this week to discuss follow-up measures to the North Korea-U.S. agreement in Geneva.

South Soldier Escapes After 43 Years in North

SK2410022594 Seoul KBS-1 Radio Network in Korean 0130 GMT 24 Oct 94

[FBIS Translated Text] A person who had been abducted to the North taken prisoner during the Korean war, in which he participated as an ROK Army officer, escaped from North Korea 43 years after his abduction and was rescued by a Fisheries Agency patrol boat.

Pak Kwang-hun, deputy director of the Fisheries Agency, announced during a news conference this morning that a Fisheries Agency patrol boat rescued Mr.

Cho Chang-ho, 64, who was adrift on the west coast after his escape from North Korea, at around 0100 on 23 October.

Mr. Cho participated in the Korean war as a second lieutenant of an artillery unit volunteering to the military service while studying in Yonsei University. He was taken prisoner by North Korea and detained in the Aoji coal mine, and managed to escape 43 years after his abduction to the North.

Mr. Cho said that he has many relatives in the South, including a sister and cousins. The Fisheries Agency said that the agency referred Mr. Cho to the Agency for National Security Planning and that an investigation is underway to find out the details of his escape.

Cho Chang-ho's Escape Detailed

SK2410054594 Seoul YONHAP in English 0524 GMT 24 Oct 94

[FBIS Transcribed Text] Seoul, Oct. 24 (YONHAP)—The prisoner of war [POW] who escaped from North Korea after 43 years was suffering from extreme fatigue when rescued by a South Korean patrol boat Sunday, the Agency for National Security Planning (NSP) said Monday.

Upon being rescued, Cho Chang-ho, 64, was handed over to the NSP but was soon moved to Hyundai's Chung-ang Hospital in Seoul due to his utter exhaustion from the long voyage and a lung disease contracted during years of laboring in the North's coal mines.

The hospital's initial medical check of Cho indicated somewhat high blood pressure along with symptoms of brain and speech dysfunction.

The agency said Cho fought in the Korean war in 1950 when he was a freshman at Yonsei University, serving as second lieutenant of an artillery battalion. He was forcibly taken to North Korea in May 1951 when he was captured by the Chinese Army in fighting at Inje, Kangwon Province.

He attempted in vain to escape to South Korea in February 1952 and was subsequently sent to concentration camps at Wonsan, Aoji and Kangkye for 13 years' hard labor. He was later moved to Hwapung coal mine in Chagang Province in August 1964, where he toiled as a miner for another 13 years. Then he was sent to Hohwa mine in the extreme northwest to continue his forced labor.

As he could no longer work because of the lung disease he had picked up in the mines, Cho attempted to escape while he was sitting around unemployed.

Meanwhile, his sister in the South, Cho Chang-sok, had an emotional reunion with her brother at the hospital.

"It is like a dream," exulted his sister, who was formerly dean of the home management college at Konkuk University in Seoul.

Cho Gives Impressions of South

SK2410091494 Seoul YONHAP in English 0847 GMT
24 Oct 94

[FBIS Transcribed Text] Seoul, Oct. 24 (YONHAP)—Cho Chang-ho, who finally escaped from North Korea 43 years after being taken there forcibly during the Korean war, said Monday that South Korea has undergone "cataclysmic" change.

"I'd heard in North Korea that South Korea was suffering from student demonstrations and political chaos, but it is quiet and has developed so much. I'm ashamed of myself for not having done anything for the development of my father country," he said.

Cho, 64, met with reporters Monday at the hospital where he was taken shortly after being rescued by a South Korean boat while drifting in the West Sea on Sunday.

He had been held prisoner since his capture during the Korean war (1950-53), for which he volunteered as an artillery second lieutenant while attending Yonsei University here.

Describing the situation in the North, he said: "The North Korean people are as loyal to Kim Chong-il now as they were to Kim Il-song. There is no big chaos in North Korea. It is quiet."

After being taken prisoner, he was imprisoned for 13 years before being sent to toil at an underground coal mine for another 13 years.

"I had been thinking that I must not die in North Korea. I thought I should stay alive until I met with my brothers," he said.

He crossed the Amnok River into Chinese territory Oct. 3 under the cover of rain and then was able to obtain a boat with the help of a Korean residing in China, he explained.

Cho ate maize twice a day and nothing else. Eventually he felt compelled to steal food from others, he said.

According to doctors at the hospital, he has a speech impediment while showing symptoms of local paralysis on the right side of his body.

Demonstrating that news of his demise was greatly exaggerated, it was revealed Monday that Cho has been enshrined in the Mortuary Tablet House for war dead at the National Cemetery in Seoul since 1977.

Accordingly, he has become the first among the fallen soldiers listed on the tablets to have his name deleted.

Cemetery officials said people such as soldiers, police and military workers who took part in the Korean war but were not confirmed as dead or alive after 25 years are treated as war dead and placed on the list in accordance

with "regulations on fallen soldiers." Cho's sudden appearance amongst the living marks the first by a person on the deceased list.

The card number on Cho's tablet, engraved "Second Lieutenant Cho Chang-ho," is 47-8-052 and the card contains his class, service number, time of death, names of bereaved family members and address.

The date of his passing is recorded as Sept. 10, 1951.

His service number is 212366 and he fought in the Army's 9th Infantry Division.

At present, the number of war dead enshrined in the cemetery totals 102,000.

The cemetery said it would delete Cho's name upon receiving a request from the Defense Ministry to do so.

"It is the first case in which a 'dead man' has come alive by escaping from North Korea and the cemetery had to cancel his name from the list, although there were cases in which names were omitted after bodies were found in the South," a cemetery official noted.

Hyundai 'Secretly' Meets North Officials in PRC

SK2210003594 Seoul THE KOREA HERALD in
English 22 Oct 94 p 8

[FBIS Transcribed Text] Top officials of the Hyundai Business Group secretly met a high-ranking North Korean official in Beijing early this month to discuss the development of a tourism complex on Mt. Kumkang, it was learned yesterday.

As a follow-up to the secret talks, Hyundai is promoting a visit by Pak Chae-mun, chairman of Hyundai Engineering & Construction Co., to Pyongyang toward the end of this month, informed sources said.

At the Oct. 2 Beijing talks, Pak and three other Hyundai officials met with Yi Song-nok, chairman of the Koryo National Industrial Development Council (KNIDC), the official North Korean contact point for businessmen from Seoul.

The three top Hyundai officials were Yi Chun-im, chairman of Hyundai Corp. which is the group's trading arm; Pak Se-yong, president of the firm; and Kim Young-ill, president of Kumkang Development Co., a distribution company which operates the Hyundai Department Stores.

"At the meeting, the Hyundai officials sought KNIDC chairman Yi's view on the promotion of economic cooperation between the two Koreas," a senior Hyundai official said on condition of anonymity.

"The Hyundai officials especially focused on the development of the tourism resources of Mt. Kumkang on the eastern coast as Hyundai agreed with North Korea on the joint promotion of the project in 1989," the official added.

The agreement was reached when Hyundai's then chairman Chong Chu-yong visited the North. Since then, the business group has shown keen interest in the tourism project.

"At the Beijing meeting, the Hyundai officials also discussed Hyundai's participation in a North Korean plan to produce rolling stocks," the official said.

Meanwhile, high-ranking officials of the Lotte, Jinro and Tongyang Business groups also contacted KNIDC chairman Yi in Beijing early this month as part of their efforts to advance into North Korea, informed sources said.

Like Hyundai, Lotte is also interested in building a tourism complex on the scenic North Korean mountain. Specifically, Lotte wants to set up a deluxe hotel and a large shopping center there, a Lotte official said.

Jinro officials discussed with KNIDC chairman Yi the establishment of plants to produce distilled liquor and to process fruits and fishes, according to a Jinro official.

The liquor maker is also interested in pumping up underground water from Mt. Kumkang for liquor production.

The Tongyang Business Group, for its part, wants to revive its plan to set up a cement plant in North Korea which has been stalled by the Communist North's nuclear issue, a Toneyang official said.

In addition to Hyundai and Lotte, other business groups are also reportedly interested in tapping Mt. Kumkang's tourism resources.

The Tongil Business Group, which is associated with the Unification Church, is known to be preparing for the construction of a 900-room hotel on the mountain.

The Hanwha Business Group has reportedly received a proposal from Yim Tae-tok, president of the North Korean Committee for the Promotion of External Economic Cooperation (CPEEC), to participate in the construction of hotels and amusement facilities at Kumkang.

According to business sources, North Korea is eager to develop Mt. Kumkang into a large-scale tourist resort as a means of earning foreign exchange. To attract investments into the project, it has been contacting not just South Korean but Japanese entrepreneurs.

"It appears that the competition to preempt the project has already started among domestic business groups. This type of scramble, however, is not desirable," said a North Korea watcher. According to him, the project calls for a huge amount of investment so those eager to participate in it would be better to promote it by forming a consortium.

Seoul To Jointly Build Nuclear Plants in China

SK2210012794 Seoul YONHAP in English 0051 GMT
22 Oct 94

[FBIS Transcribed Text] Seoul, Oct. 22 (YONHAP)—South Korea is joining the group of atomic power plant

exporters with an agreement with China on joint construction of nuclear plants in the communist country on top of Seoul's scheduled provision of two light-water reactors to Pyongyang.

Accordingly, exports of the locally developed Ulchin No. 3 and 4 units, with a capacity of 1,000 megawatts each, to Southeast Asian nations are expected to be brisk.

After the accord with China, in particular, the form of the nation's atomic technology exports will change greatly from one-sided exports limited to the safety field such as safety technology and efficiency tests.

Seoul's nuclear exports are being made through various channels including the Korea Atomic Energy Institute (KAERI), Korea Electric Power Corp. (KEP) and Korea Power Engineering Co.

South Korea's first dealings with China concerned performance tests for the Dayawan power plants' Nos. 1 and 2 in Guangdong Province. For the project, 100 South Korean experts from KAERI participated from February through October 1991. This was part of KAERI's contract worth 276,000 U.S. dollars with the Chinese Research Institute of Nuclear Power Operation (RINPO).

After that, the institute assisted in safety interpretation technology for the second unit of the Qinsan nuclear power plant in Zhejiang Province. The South Korean atomic institute signed a 340,000-dollar agreement with the Nuclear Power Institute of China (NPIC) in February last year, providing the plant that was then under construction with technical assistance based on analysis of a loss of coolant accident (LOCA) in the reactor. In addition, KAERI concluded a data-providing contract of 327,000 U.S. dollars.

A triumph in technical exports saw the institute providing integrated reliability analysis code package (KIRAP) to the United States, the originator of atomic technology. In March last year, KAERI developed and shipped to the United States' Southwest Research Institute new software for safety evaluation based on probability, taking in 150,000 U.S. dollars.

On top of that, KAERI's exports include a joint project with the American institute, assisting in a performance test for the Russian-model light-reactor VVER-440 in Finland. The joint project will be performed over the next two years and the contract is worth 300,000 U.S. dollars.

Meanwhile, Korea Power Engineering Co. provided education to technicians on quality control at the Guangdong Atomic Power Joint Corp. in 1992 and earned 65,000 U.S. dollars.

Korea Electric Power Corp. (KEPCO) is to receive 4.2 million U.S. dollars from the Guangdong plant for helping in maintenance technology at the unit from January this year through the end of 1995.

Pakistani Official Invites Korean Investments

*BK2210133994 Islamabad THE MUSLIM in English
22 Oct 94 p 12*

[FBIS Transcribed Text] Seoul, Oct 21 (APP)—The leader of Pakistan's high powered trade delegation and MNA [Member of National Assembly], Asif Ali Zardari [words indistinct] industrialists of South Korea to avail themselves of the incentives and facilities being offered by Pakistan Peoples Party government.

He was speaking at a meeting with Chairman of South Korea's one of the biggest industrial groups, Hyundai, Chung Se Yung at Hyundai Building here on Friday afternoon.

Zardari is leading a high level trade delegation of government officials and about 34 big industrialists of Pakistan to Seoul to intensify the government effort to attract more investment and foreign investors to invest in various sectors.

Zardari highlighted the government policy towards investment and privatisation. He said as a result of this policy, an investment worth US dollar 15 billion has come in energy sector. "We need more investment in transmission of energy and buying of pipe lines for oil and gas transportation," he said adding that there is an ample scope to establish at least three oil refineries in the country.

Zardari appreciated the role of Hyundai Company in developing industries, construction sector, steel and heavy industries and said Pakistan offers cooperation in steel sector.

Zardari said Pakistan has a big Railway Yard and about 5000 miles of track. He underlined the need to have more cooperation in this sector. He also sought help in forest development. He also underlined the need for exchange of manpower.

In transport sector, Zardari said, the government intends to improve transport facilities in big cities like Karachi, Lahore and Faisalabad.

Speaking on the occasion, the Chairman Hyundai Group, Chung Se Yung appreciated Pakistan government's policy for industrialisation. He said that his Company is already working in Pakistan on Chashma Power Plant. He assured the delegation [words indistinct] consider the options of establishing industries. He said that his Company is interested in establishing heavy industries and engage in construction work.

State Minister and Chairman Export Promotion Bureau, Mian Habibullah, Special Assistant to the Prime Minister for Social Sector, Begum Shahnaz Wazir Ali, Secretary Board of Investment (BOI) Muhibullah Shah, prominent industrialists and senior officials of Hyundai Company also attended the meeting.

Earlier, Asif Ali Zardari gave two separate interviews to leading newspapers of South Korea, in which he highlighted the aims and objects of the delegation's visit and informed them of the government economic policies.

In the evening, the members of the delegation attended a reception hosted by Hanbo Steel and General Construction Co Ltd, which has a base in Pakistan and is working in NWFP [North West Frontier Province].

Meanwhile, a South Korean company, M/s Hanbo Steel and General Construction Co Ltd, has decided to establish a Deep-Sea Port with a vessel capacity of 20,000 tons at Ketu Bandar, district Thatta and a coal-fired power generation plant in Sindh.

While announcing this, the Secretary Board of Investment (BOI) of Pakistan, Muhibullah Shah informed the participants at a reception given by M/s Hanbo in honour of Pakistani delegation, at a local hotel here Friday evening, that the Company has agreed to sign a number of Memoranda of Understanding (MOU) with Pakistani private and public companies.

He said in this regard, the ceremony of signing of MOUs would be held on Saturday morning. Asif Zardari will also address a press conference to tell the press the achievements made by his delegation in South Korea.

Muhibullah Shah informed the audience that the details of these MOU would be settled in the meeting of the concerned parties. He said that besides these two major projects, the company would also sign MOU for marketing Pakistani fruits and vegetables internationally. He said the interested parties would discuss the terms and conditions with the Company. He said the Company intends to enter into joint venture for processing and packing fruits to be exported to other countries.

Moreover, he said the Korean company through yet another MOU, would commit to give priority to Pakistan nationals in employment at its projects all over the world.

He said this is a great achievement of the delegation and hoped that more MOU with other companies would be signed on Saturday morning.

Meanwhile, a MOU was signed between Hyundai Motor Company and Pakistan's Saigol Group of Companies to establish a car assembly plant at Karachi.

Hyo-Whi Baik, Executive Vice President (Export Operations) and Azam Saigol signed the MOU in presence of Chairman of Hyundai and Asif Ali Zardari.

Under the MOU, the Company would assist its local counter part to establish a car assembly plant with an initial capacity of 10,000 to 15,000 cars per year.

Mr Saigol told APP that the plant would start production within one or one and half year. He said the talks with the Korean Company had been underway since a long

time and it is a happy occasion that this MOU has been signed on the occasion of visit of a Pakistani delegation.

Another MOU between Hyundai and a Pakistan company M/s Baig Spinning Mills Ltd, would be signed with Hyundai on Saturday morning. Iftikhar Baig, Chief Executive of the company said under this agreement, Hyundai would help establish a container plant in Karachi.

Reviews Projects Planned 22 Oct

*BK2310120194 Islamabad THE NEWS in English
23 Oct 94 p 12*

[FBIS Transcribed Text] SEOUL—Sixteen memorandums of Understanding (MoU) for projects worth US \$4.152 billion have been signed between Seoul and Islamabad as a result of the visit to South Korea of a trade delegation from Pakistan.

At a press conference here Saturday morning, delegation leader Asif Ali Zardari described the visit as "very successful". He said Korean companies are interested in investing in Pakistan.

Mr Zardari told Korean Journalists the Pakistan government offers foreign investors very attractive incentive packages, including exemption from taxes and stringent labour laws. Moreover, he said Pakistan offer a gateway to Central Asia and Afghanistan.

He said the atmosphere for foreign investors in Pakistan is attractive and conducive. More than 250 multinational companies are already operating in the industry and service sectors in Pakistan, and there is great potential for more industries, he added.

Important MoUs signed Saturday morning included the establishment of a 200,000-tonne Dead Weight Deep-Water port of Ketti Bandar (signed by Pakistan Ministry of Communication and Hanbo Group of Companies); a coal-fired power plant of 660-MW at a cost of US \$650 million (signed by Sindh Coal Authority and Hanbo Group); another coal-fired power plant of 500-MW at an estimated cost of US \$700 million signed by Sindh Coal Authority and June Engineering); manufacture of newsprint at an estimated cost of US \$170 million (signed by Punjab industrial Development Board and June Engineering); establishment of PSO Refinery at an estimated cost US \$800 million (signed by PSO and Hyundai Engineering and Construction Co); establishment of Hydro electric power and highways at proposed cost of US \$100 million (signed by Siddique sons and Daewoo); two projects of 500 and 200 MW at an estimated cost of US \$900 million; a power plant of 114-MW at an estimated cost of US \$100 million (signed by Siddique Sons and Daewoo); a milk plant at an estimated cost of US \$10 million (signed by Sindh Abadgar Sugar Mills); transfer of machine and technology for the manufacture of athletic shoes for export at an estimated cost of US \$15 million; processing and export of fruits from Pakistan at an estimated cost of US \$15 million (signed by

Akhter Group and Jason Engineering Pusan); a hydrogen peroxide plant at a cost of US \$50 million (signed by Gul Ahmed and Daewoo); a tin plant at an estimated cost of US \$30 (signed by Siddique Sons and Daewoo); establishment of an auto plant joint venture for the manufacture of 15,000 passenger cars at an estimated cost of US \$85 million.

Meanwhile, in an exclusive interview published on Saturday in The Korean Herald newspaper, Asif Ali Zardari said Pakistan is following a free-market policy with its main focus on globalizing and modernising the industrial sector and infrastructure.

He explained the Pakistan People's Party government's policies citing coal, gas and oil, thermal power generation based on Pakistan coal resources and infrastructure projects as the most promising areas for Korean investment.

Kim Returns Yi Yong-tok's Letter of Resignation

*SK2310234294 Seoul YONHAP in English 2338 GMT
23 Oct 94*

[FBIS Transcribed Text] Seoul, Oct. 24 (YONHAP)—President Kim Yong-sam on Monday returned the resignation submitted by Prime Minister Yi Yong-tok over the weekend, taking responsibility for the collapse last Friday of the Songsu Bridge in Seoul.

The premier's letter of resignation was returned when he called on the chief executive at Chongwadae [presidential offices], the presidential office, at 7:30 AM Monday.

President Kim then instructed Yi to renovate national administration, allay public discontent and strive to prevent a recurrence of any major accidents.

The collapse of a 48-meter center span of the Songsu Bridge in eastern Seoul during rush hour Friday morning claimed 32 lives, including nine high school girls.

The president has thus wrapped up personnel reprimands over the Songsu Bridge collapse for the time being, having replaced Seoul Mayor Yi Won-chong and returned Premier Yi's resignation.

Chief presidential spokesman Chu Ton-sik said the prime minister's resignation was rejected over breakfast at Chongwadae. President Kim took the step "after pondering agonizingly for three days, after receiving the letter, on how to settle the accident and a number of related matters," Chu said.

"More important and urgent at this time is how to secure safety in citizens' daily life rather than reshuffling people," Chu quoted the president as having said. He then instructed the premier to organize a team to conduct general and thorough inspections of various public facilities.

The inspection team will comprise civil servants and experts and inspect over 10,000 bridges, railroads, tunnels, embankments and suspect apartment buildings, according to Chu.

Now that Premier Yi's resignation has been rejected, a reshuffle of the cabinet and the ruling Democratic Liberal Party will probably be put off until year's end, when the current parliamentary session concludes, or sometime in early 1995.

But in view of demands by the opposition, particularly the Democratic Party, for the arrest of former Seoul Mayor Yi Won-chong and an overall cabinet reshuffle as well as prevailing public criticism, the president's political travails are likely to linger.

Premier Yi is scheduled to attend a parliamentary session Monday to report on circumstances leading to the Songsu Bridge collapse and follow-up measures. He is expected to face hard sailing, however, as the opposition has been demanding his resignation.

Main Opposition Protests Action

*SK2410072494 Seoul YONHAP in English 0630 GMT
24 Oct 94*

[FBIS Transcribed Text] Seoul, Oct. 24 (YONHAP)—The main opposition Democratic Party (DP) is fuming over President Kim Yong-sam's refusal to accept the resignation Prime Minister Yi Yong-Tok tendered Friday to take responsibility for the collapse of a major bridge over the Han River.

The DP vented its anger by boycotting a National Assembly interpellation session scheduled to open at 10:00 a.m. Monday while demanding that President Kim apologize and the Yi cabinet resign en masse, triggering a hot government-opposition confrontation.

The chief executive declined to accept Yi's resignation during a breakfast meeting at Chongwadae [presidential offices] Monday, instead urging the prime minister to act against the recurrence of similar accidents. He will issue a statement on the bridge tragedy in the evening.

The opposition party also demanded that law enforcement authorities interrogate and detain former Seoul Mayor Yi Won-chong, charging him with responsibility for the mishap.

It will shortly introduce a no-confidence motion in the cabinet to parliament, putting off the interpellation schedule until a vote is held on the motion, which usually takes place within 72 hours after a motion is introduced.

The DP has also decided to call on the government to present short- and long-term plans to conduct safety checks on major bridges and other civil engineering structures across the country, while holding a meeting of civil engineers and architects in a move to prepare its own safety check scheme.

DP Chairman Yi Ki-taek, regretting that President Kim returned Premier Yi's resignation, stressed that the cabinet must quit en masse to settle problems arising from the bridge collapse and to make a new start. "We cannot interpellate a cabinet used to telling lies," he added,

suggesting that he would not cooperate in normal parliamentary operations for sometime.

The return of Premier Yi's resignation indicates that the Kim Yong-sam government has failed to follow public opinion on the accident and is unable to settle problems related to the calamity, an influential DP lawmaker said.

On the other hand, the ruling Democratic Liberal Party (DLP) decided at a joint meeting of lawmakers and high-level staff members Monday to recommend that the government deal with the aftermath of the bridge collapse as soon as possible, as Premier Yi's resignation has been returned.

On the opposition party's move to introduce a no-confidence motion in the cabinet, the ruling party decided to reject it because Premier Yi's resignation has been returned and because President Kim plans to issue a statement on the accident Monday evening.

But it will accept the DP's request to postpone the Assembly's interpellation schedule, while seeking to normalize parliamentary operations through dialogue with the opposition party, according to DLP Spokesman Pak Pom-chin.

Chairman Kim Chong-pil called for firm party unity at the meeting, saying, "this is a very difficult time... Regardless of whatever action the opposition may take, the party will deal with it in a reasonable manner and with patience."

Floor leader Yi Han-tong said, "I'll do my best to normalize parliamentary operations through dialogue after a cooling-off period of two or three days."

In a related development, Premier Yi advanced the regular weekly State Council meeting from Tuesday to Monday afternoon as the National Assembly failed to convene an interpellation session Monday in the face of the opposition party's boycott.

At the meeting, the government discussed measures to cope with the aftermath of the bridge collapse last Friday and the agenda for Tuesday's joint government-DLP meeting, among other things.

Action Against Former Seoul Mayor Yi Studied

*SK2410023494 Seoul YONHAP in English 0207 GMT
24 Oct 94*

[FBIS Transcribed Text] Seoul, Oct. 24 (YONHAP)—The government is considering legal action against former Seoul Mayor Yi Won-chong in connection with the collapse of a Han River bridge during the morning rush hour last Friday, killing at least 32 people.

A highly-placed official said Monday that because the investigation thus far has found fault with Seoul city over maintenance and management of the ill-fated bridge, Yi would find it hard to avoid assuming responsibility as the city's top executive officer.

"Appropriate action will be taken against him," the official added.

President Kim Yong-sam's return of Prime Minister Yi Yong-tok's resignation means that the president wants to conclude his reprimands of those responsible for the bridge mishap by meting out severe punishment to the former mayor, the official remarked.

"I think he will face interrogation with physical detention," he said.

President Kim fired Mayor Yi immediately after receiving a report on the bridge collapse Friday.

In a related development, the government and the ruling Democratic Liberal Party (DLP) will meet Tuesday to discuss measures regarding the bridge collapse.

On the agenda of the meeting, to be attended by Prime Minister Yi and related cabinet ministers from the government side and chairman Kim Chong-pil and high-level staff members from the DLP side, are plans to conduct safety inspections of major bridges and other civil engineering structures across the country.

DLP Chairman Kim presided over a meeting of lawmakers and his high-level staff members Monday morning to discuss steps the government should take in connection with the bridge accident.

President Kim Apologizes for Bridge Collapse

SK2410131394 Seoul KBS-1 Television Network in Korean 1100 GMT 24 Oct 94

[Statement by President Kim Yong-sam regarding the collapse of Songsu Bridge, at the Presidential Offices in Seoul on 24 October—live or recorded]

[FBIS Translated Text] Dear people, by seeing the wretched feelings and the sense of prostration you have shown regarding the collapse of the Songsu Bridge on the morning of 21 October and by hearing voices rebuking and criticizing the government, I, as the president, am keenly aware of my responsibility and incompetence [pudokhamul].

After pondering, I returned the resignation of the prime minister this morning. This is because I am keenly aware of my own responsibility.

I express my sincere condolences and words of comfort to the victims of the incident and to their families, who are filled with deep sorrow.

At the same time, I express my deep regrets to you, the people, for causing you great worry due to the current incident.

Recalling the past, it is true that we have attained great achievements in the course of economic growth over the past 30 years. However, we cannot deny the fact that in

this course, we hastily pursued quantitative achievements, instead of quality, and sought window-dressing, instead of practical interest.

In a word, we failed to obtain substantive results. I can say that the current incident is an exemplary one caused by ignorance of substance.

The danger to eliminate incidents and accidents similar to this incident still exists in many places. Therefore, it is our era's responsibility to cope with similar future incidents and accidents.

Needless to say, it is totally the government's responsibility to conduct sufficient safety inspections to prevent a recurrence of such an incident.

The government is keenly aware of its responsibility for the incident, from the standpoint that this incident was man-made, rather than being accidental.

I will see to it that deceptive construction projects, which have been chronic and have become a common practice, be expelled from our land forever. At the same time, I will see to it that those who are responsible for the incident and the government officials who have caused this by neglecting their management duty, are sternly punished, irrespective of their positions.

With this incident as an occasion, the government will inspect all dangerous elements among us and will take all possible steps in the future.

Through the current incident, I confirmed that the management system in our society is excessively careless and easy-going.

Unless we rectify this inappropriate management, our society will not be safe. I have keenly realized that for us to make reform in top management successful, reform by the middle management quarters and reform in lower echelons should be carried out at the same time.

Recognizing that this accident is an expression of the general pathological phenomena [chongchejogin pyongni hyonsangui pyohyon] of our society, we should accelerate overall state maintenance and innovation [kukka chonbanui chongbiwa swaesin].

On this viewpoint, I believe our plan should start anew from now on. I think we should all learn lessons from this accident. The accident can be regarded as a warning against our way of life. It is an effect of growth [song-jangui taega] and is a big trial we are facing as we seek to become an advanced nation.

We have tried to achieve modernization focused on growth and construction. However, in order for us to become an advanced nation, we now have to be interested in the people's living standard and their safety. The future image of our community [kongdongche] depends upon what we do today. Now we have to build substance [naesil]. We must change the way we have lived and developed. We must change the way of thinking, with an

attitude to hand down safe and permanent facilities, at any expense, to our descendants.

We should break from the hastiness and the rough-and-ready method [cholsok], which considers speed to be the best way. We should supplement [powan] laws and regulations to prevent a job from being done in a rough, easy-going, and flimsy way. We should reform the system and consciousness of all of us in a direction of putting stress on substance in all domains, including economic development. I think our national strength and the civic standard of our people have reached a high enough level to do so.

We should not be frustrated or depressed by this accident. We should turn a misfortune into a blessing by taking this opportunity to introduce an advanced construction and management system for all public facilities [modun konggon sisolmure sonjinjok konsol kwalli cherul toiphanun chonhwawibogui kyegiro sunghwasikyo nagaya hamnida], so that today's sacrifice can be proved to be worthwhile.

With this accident as momentum, the government will take more practical [silchiljok] and specified [kuchejok] reform policies through a humble reflection of all state affairs [kukchong chonbane taehan kyomhohan pansong] so as to actively meet [chokkuk pung] the people's expectations. To this end, all the people's cooperation is needed.

If today is indeed a crisis, we should overcome it together.

I apologize again to the people, with courtesy, and earnestly appeal that we, together, learn from this incident and make this accident a turning point for us to start anew.

Thank you very much.

Former Defense Minister Sentenced for Bribery

SK2410061394 Seoul YONHAP in English 0602 GMT
24 Oct 94

[FBIS Transcribed Text] Seoul, Oct. 24 (YONHAP)—The Seoul high court on Monday sentenced former Defense Minister Yi Sang-hun to two-and-a-half years in prison for bribery, with a three-year stay of execution and a 30-million-won fine.

In Yi's appeal trial, the court ruled: "The court presumes Yi, the accused, to have received 30 million won in bribes and misappropriated 120 million won in relation to his duties, but reduced the punishment considering that he served in the military for 30 years to contribute to the country's development."

Yi, 61, had been sentenced earlier to three years in prison, a four-year stay of execution and a fine of 30 million won in the first trial.

While serving as defense minister in March 1990, Yi allegedly took 30 million won from Chong Mong-ku, president of Hyundai Precision and Industry Co., so the government would select the company to supply gun-sights for the military.

He is also alleged to have embezzled 120 million won that Daewoo group Chairman Kim U-chung handed to him with a request that the money be given to Chong Ho-yong, who stood for election.

KEPCO Scheduled for New York Stock Exchange

SK2410072594 Seoul YONHAP in English 0712 GMT
24 Oct 94

[FBIS Transcribed Text] Seoul, Oct. 24 (YONHAP)—Korea Electric Power Corp. (KEPCO) will be listed on the New York Stock Exchange Thursday, a day ahead of schedule, becoming the second South Korean company to list its shares on an overseas bourse following Pohang Iron and Steel Co. (Posco), which made its debut in New York on Oct. 14.

KEPCO's New York debut will take place with an offering of depository receipts totaling 300 million dollars, the same way Posco was listed in the big apple, according to Ssangyong Investment and Securities Co., the lead manager of KEPCO's New York market listing. But while Posco issued depository receipts against the base shares at a 4-to-1 ratio (four receipts for every share), KEPCO will opt for a 2-to-1 ratio and the New York issuing price will bear a premium 10-20 percent over the current Seoul bourse price.

New York trading of KEPCO's depository receipts will start at 9:30 a.m. Thursday local time (10:30 p.m. Seoul time) when the market's opening bell rings for the day.

Ssangyong officials said the prospects for KEPCO depository receipts in New York are bright because the company's price-earnings ratio is lower than those of rival firms listed on the market and because it plans to revalue its assets in one or two years to increase its internal reserves for distribution of bonus shares to shareholders.

Brunei, Malaysia & Singapore**Malaysia****Minister Denies EAEC Concept 'Has Been Buried'***BK2410054594 Kuala Lumpur BERITA HARIAN in Malay 24 Oct 94 p 2*

[FBIS Translated Text] Kepala Batas, Sunday—Malaysia has denied that the proposed East Asian Economic Caucus [EAEC] has been buried after several developed nations in the region remained undecided and failed to take a stance on its establishment.

Foreign Minister Abdullah Ahmad Badawi said the EAEC, which is an ASEAN project, will continue to be promoted because it will not become a group hostile to existing trade groups. He said some nations like China, Japan, and South Korea may need some time to study the details of the EAEC's operations.

"We are not setting a deadline for them because we believe that the project will be supported, since the EAEC will be a loose forum striving for free trade. It is also related to efforts to achieve free trade without any restrictions," he told reporters after attending a briefing on development and meeting community leaders in the Farmers Building in Penaga near here today.

According to him, ASEAN will collectively pursue the EAEC concept because the former collectively sponsored it and all nations have been given time to take their respective stance on the EAEC.

Malaysia and the other ASEAN members have not observed any attempts by nations to hinder the establishment of the caucus because they have stated that it will not become a trade bloc incompatible with free trade.

"We as international traders practice the free trade concept and do not want to be tied by any strings or restrictions," he said, while dismissing charges by some overseas groups that the EAEC will not succeed in gaining strong support.

RDF Said Unrelated to Dispute With Indonesia*BK2010134094 Kuala Lumpur BERITA HARIAN in Malay 15 Oct 94 p 11*

[FBIS Translated Text] Kuala Lumpur, Friday—Defense Minister Datuk Sri Najib Tun Razak today denied that the establishment of the Rapid Deployment Force [RDF] of the Malaysian Armed Forces and "Exercise Lightning" on Langkawi Island early this week were related to the contentious issue of the Islands of Sipadan and Ligitan. According to the minister, the RDF was not established to take over the two islands in the Sabah waters claimed by both Malaysia and Indonesia.

He said this when commenting on an Indonesian press report which linked the choice of Langkawi Island as the site of "Exercise Lightning" to the joint claims over the Islands of Sipadan and Ligitan.

The newspaper reported that the establishment of the RDF and the choice of Langkawi Island as the site of the exercise show that Malaysia is preparing to take over Sipadan and Ligitan.

"The issue of Sipadan and Ligitan will be settled only through bilaterally approved means, in this case talks, and should be referred to the International Court of Justice if talks fail," he said today.

According to him, Langkawi was chosen as the site of "Exercise Lightning" because its location was suitable for such an event. In particular, its uncongested air space allowed participating aircraft to conduct various air maneuvers.

He said that the island has various elements such as mountains, beaches, seas, forests, and ricefields and is the most suitable site for war games like "Exercise Lightning."

Future FPDA Exercises To Involve All Forces*BK2110122594 Kuala Lumpur NEW STRAITS TIMES in English 18 Oct 94 p 6*

[Reports by M. Jeffri Razali and Sufi Yusof]

[FBIS Transcribed Text] Kuala Lumpur, Mon.—Future Five-Power Defence Arrangement (FPDA) exercises will be major combined services affairs involving the armies, navies and air forces of the member countries, Defence Minister Datuk Sri Najib Tun Razak said today. He said the practice was to put together an exercise involving only the navies, air forces and land forces of FPDA countries as in the Starfish series of exercise (naval forces), ADEX (air forces) and the Suman Warrior (land forces).

"But in future, these exercises would involve all the navies, air forces and armies of FPDA members," he said.

Najib said the FPDA members—Malaysia, Singapore, Britain, Australia and New Zealand—made this decision at their Defence Ministers' conference in Singapore last month. The combined arms exercise would be conducted every year, but a large-scale one would be held triennially. The first major combined operation is scheduled for 1997.

He said this to reporters at the Royal Malaysian Air Force (RMAF) Sungai Besi station here after discussions with the Chiefs of Defence Forces of Australia, New Zealand, Britain and Singapore. They were attending the two-day RMAF air power conference here which was officially opened by Najib.

Najib said the FPDA Defence Ministers' conference last month also agreed that the member countries should adapt to changing global circumstances including developments in modern warfare and doctrine.

"This was one of the reasons why we decided to hold a combined arms exercise to enable us to keep abreast with the changes in conventional warfare. The major exercise in 1997 will fulfill these challenges."

The FPDA countries have agreed to commit large resources towards the exercise to reflect its status as a major military manoeuvre. These would include submarines and aircraft carriers.

Najib said the FPDA Defence Ministers also reiterated their Governments' commitment towards the arrangement especially with the expected pullout of British forces from Hong Kong in 1997 following the handing over of the colony to Beijing.

"Britain will continue with its military presence in the region through the FPDA, contrary to claims by certain quarters," he said.

On the RMAF Integrated Computerised Logistical Support System, Najib said the ministry had shortlisted several companies for the job.

The ministry wants to reduce the participation to four companies from four countries before the final choice is made, he said, adding he estimated it would cost the Government RM [Malaysian ringgit] 50 million to install the system.

On the possible pull-out of the multinational United Nations troops from Somalia, Najib said the Government would abide by the Security Council's ruling which had declared a March 31 deadline.

However, he hoped, the military would be consulted when implementing the withdrawal plan to ensure that the troops are protected, he said.

Foreign news agencies today quoted UN Secretary General Butrus Butrus-Ghali as saying that the planned withdrawal of UN forces from Somalia next year could take place under "hostile circumstances" and would require additional military support.

In his report to the Security Council, he said the country could plunged again into "anarchy and chaos" after the scheduled withdrawal of the UN multi-national forces in March 1995.

Mahathir Urges Development of Aerospace Industry

BK221015394 Kuala Lumpur NEW STRAITS TIMES in English 19 Oct 94 pp 1,7

[By Sabry Sharif]

[FBIS Transcribed Text] Kuala Lumpur, Tues.—The Prime Minister wants Malaysia to develop the local

aerospace industry's capabilities in the manufacture of composite materials and micro-electronics for use in the production of military and commercial aircraft.

Defence Minister Datuk Sri Najib Tun Razak said Datuk Sri Dr. Mahathir Mohamed told participants of the Royal Malaysian Air Force's [RMAF] air power conference at the RMAF Sungai Besi station here that the Government was evaluating several transfer of technology offers from leading defence and aerospace firms from the United States and Europe. However, Dr. Mahathir said the offers did not come free as the Government would have to make certain purchases of the products being offered by these companies.

Najib added that the Prime Minister did not name the companies or the products which were being offered to the armed forces.

The Defence Minister was briefing the Press on the highlights of Dr. Mahathir's 45-minute closed-door dialogue with the participants.

Apart from senior RMAF officials led by its chief Lt. Jen. [Lieutenant General] Datuk Sri Abdul Ghani Aziz, representatives from the local aerospace industry were also present, including Malaysia Airlines chairman Datuk Tajuddin Ramli.

The two-day conference which ended today was to look at how the Government could synergise the development of the air power of the RMAF and the growth of the local aerospace industry.

It was learnt several leading European and American aerospace firms like McDonnell Douglas, Boeing Corporation and British Aerospace had shown interest in developing the aerospace industry through technology transfer, human resources development and limited investment in the manufacturing process.

According to Najib, Dr. Mahathir also said local aerospace firms would need to have tie-ups with foreign aerospace firms to develop their technological base and human skills, and to expand into the international markets later.

For this purpose, they have the option of going for strategic alliances and collaborative partnerships with these firms.

Dr. Mahathir told the audience that the Government had taken the first step in its foray into composite material manufacturing by acquiring an Australian firm, Eagle Aircraft Australia which produces the all composite Eagle XTS light two-seater aircraft, last year.

(Malaysia acquired the technology by setting up Composite Technology Research Malaysia which pumped in U.S. \$22 million for the project, and under the joint-venture agreement there would be two plants to manufacture the aircraft in Australia, and Batu Berendam, Malacca).

Other Malaysian companies which are involved in aircraft manufacturing are SME Aerospace, which bought over Swiss technology to produce the MD3-160 light trainer aircraft, and Dornier Seastar Malaysia, which will manufacture in Penang the all-composite amphibious aircraft.

About 100 MD3-160s are expected to be manufactured by 1996, while the first Dornier Seastar will roll off the Penang plant in early 1996 with 10 units planned for the first year, rising to 36 by the fourth year.

Various other Malaysian companies are also involved in servicing and overhauling aircraft, like Airod Sdn Bhd [company limited], tyre-production like Michelin-Sime Aircraft Tyre, and Terra Control Technologies Sdn Bhd, a subsidiary of Sapura Holdings, which is engaged in the preparation of digital terrain maps for combat aircraft including the RMAF's Hawk ground attack plane

Najib said Dr. Mahathir was confident of the viability of micro- electronics as Malaysia was a world leader in advanced microchips and a number of Malaysians were known to be employed in major foreign aerospace firms designing these chips for use in civilian and military aircraft.

"He told the participants these Malaysian engineers were acknowledged for their design creativity and their work were equal, or far superior, to their Western colleagues".

"Probably, Dr. Mahathir said, what we should do is to draw them back to Malaysia with certain incentives so that they can develop the micro-electronics industry here with foreign and local investment," said Najib.

This has been done by Indonesia which scouted for its nationals working in major German, Dutch, French and American aerospace firms to set up the Industri Pesawat Terbang Nusantara [Nusantara Aircraft Manufacturing Industry].

Najib also said the Prime Minister was satisfied with the level of private sector participation in the aerospace industry which he described as still in its formative years.

However, he felt the industry still needed Government support in the form of financial help and political commitment.

This was especially so when the Prime Minister thought that the formative stages of the aerospace industry would involve high risks and investments.

Najib said the Prime Minister expressed confidence the industry would progress, but at a slow pace, and that there was no turning back.

"The Prime Minister emphasised that as this was a strategic industry, the Government would continue to give financial backing to the defence sector to enable the private sector to deepen its involvement in the aerospace industry," he said.

On the development of human resources, he added, Dr. Mahathir had stressed on ensuring that the RMAF and the aerospace industry had qualified people.

On the brain drain in the RMAF, Najib said the Prime Minister did acknowledge that this was a problem.

"However, he said giving the pilots and other skilled staff better perks would also mean making the necessary adjustments to similarly qualified people in the navy and army," he said.

"Apart from the on-going efforts to better the lot of the skilled people in the RMAF he also appealed to their spirit of patriotism to stay on," he added.

Defense Minister on Strengthening Air Power

BK2110121894 Kuala Lumpur NEW STRAITS TIMES in English 18 Oct 94 p 6

[FBIS Transcribed Text] Kuala Lumpur, Mon.—The military build-up since independence had always been army-biased because of the need to develop strong land force to counter the threat from the Communist Party of Malaya [CPM], Defence Minister Datuk Sri Najib Tun Razak said today.

In addition, the limited defence budget did not allow military planners to give priority to the navy or air force, which were both seen as supporting the counter-insurgency operations, he said.

"We did not have the luxury to build up the armed forces to meet domestic and external threats," he added

"It was only when the CPM signed a peace accord with the Government in 1989 that the armed forces were able to give total priority to developing their conventional warfare resources without neglecting their expertise in counter-insurgency operations," said Najib.

He said this when officially opening the Royal Malaysian Air Force (RMAF) air power conference at the RMAF Sungai Besi station here.

The armed forces had introduced a Special Modernisation Programme in 1990 but because of budget constraints, and the continued CPM threat, had put off the move, especially in the navy and air force.

On efforts to build up the capabilities of the RMAF to suit its role as the frontline strike force, Najib said it would involve a number of inter-related elements.

"As air power is highly dependent on technology, air forces around the world have little choice but to keep up with the rapid development of technology.

"Given our requirement and our environment, we certainly do not need assets that are at the frontier of technology but rather, we require those that are currently in use."

Najib said the Government had recognised the critical need for the air force to be modernised as its air craft and support equipment were ageing, and in some cases, obsolete.

In this aspect, he said, Malaysia had acquired several air assets which would make the air force more capable and credible.

"These moves would also make the RMAF the most modern air force in the region," he added.

It is the general view of many defence planners that the Republic of Singapore Air Force is the most modern one, followed by Thailand and Malaysia among the Asean countries.

To replace its Northrop F-5E air defence fighter jets and the McDonnell Douglas Skyhawk A-4 fighter ground attack aircraft, the Government has ordered 18 MiG-29 air superiority fighter air craft from Russia and eight McDonnell Douglas F/A-18D Hornet strike and interdiction fighter jets from the United States.

In addition, the RMAF has acquired 28 British Aerospace Hawk 100s and 200s for limited air defence and ground attack roles.

Najib said the MiG-29 and the Hawks would enhance the RMAF's air defence capabilities while the Hornets would provide the RMAF with the long-range air interdiction and maritime strike capabilities.

He also said the recent acquisition of the US-made Beechcraft maritime surveillance aircraft and the Indonesian-made CN-235 transport aircraft would enhance the maritime patrol and transport capabilities of the RMAF.

He added that acquiring these assets would be pointless if their operations and maintenance were not done professionally.

"We are in the process of upgrading the competence of the air and logistics crew to ensure the acquisition would not go to the waste.

Al-Arqam Leader Admits Deviation From Islam

BK2410131994 Kuala Lumpur NEW STRAITS TIMES in English 21 Oct 94 pp 1, 6

[Reports by Farush Khan, Tony Emmanuel, and Rashid Yusof]

[FBIS Transcribed Excerpt] Kuala Lumpur, Thurs.—Ashaari Muhammad, leader of the banned al-Arqam movement, today confessed that he had deviated from Islamic teachings and said that he had repented. Ashaari said he had realised his mistakes, adding that his confession was done on his own free will.

He said this at a closed-door dialogue between him and seven of his followers and members of the National Fatwa [Islamic Religious Edict] Committee at the

National Mosque here. The two-and-half hour dialogue was chaired by National Fatwa Committee chairman Datuk Tajuddin Abdul Rahman.

On his claim that he had spoken to Prophet Muhammad, Ashaari said: "It was nonsense".

He also renounced his belief in late Sheikh Muhammad Al-Suhaimi as Imam Mahdi (the Awaited One). Shaykh Suhaimi died in Klang in 1925.

The recording of the dialogue was telecast in full by RTM's [Radio Television Malaysia] TV1 tonight. [sentence as published] Pressmen and photographers were not allowed in the meeting.

Ashaari, 57, who is being detained under the Internal Security Act (ISA) together with the seven followers, said his main responsibility now was to bring his followers back to the true path.

"I make this promise to myself and, God willing, I will bring those I have misled back to the true path," he said.

Ashaari, who had lived in self-imposed exile in several ASEAN and West Asian countries since 1988, was picked up by the Thai authorities and handed over to Malaysia on September 2.

The National Fatwa Committee on August 5 declared that the teachings of al-Arqam were in conflict with Islam.

The committee was represented by Tajuddin and mufti [religious chief] Datuk Taib Hassan, Engku Datuk Alwi Engku Ambak, Datuk Ismail Abas, Datuk Mohomed Murtadza Daud, Datuk Harussani Zakaria and Mat Jahya Hussein, Datuk Sheikh Abdul Majid Mohamed Noor, Datuk Sheikh Azmi Ahmad, Datuk Ishak Baharom, Datuk Abdul Kadir Talip, Datuk Mohamed Murtadza Ahmad, Datuk Mohamed Yunus Yatim and Datuk Mohamed Shukri Muhamad.

The seven al-Arqam followers who attended, made their confessions and sought forgiveness for their wrong actions at today's dialogue were Hatijah Aam (Ashaari's wife), Khairil Annuar Ujang (Ashaari's son-in-law), Zabidi Mohammad (al-Arqam legal adviser), Jailani Jasmani (Ashaari's press secretary), Hassan Mokhtar (former Pusat Islam [Islamic Center] staff), Ibrahim Mohamad and Soid Sulaiman.

Also present at the dialogue were Deputy Home Affairs Minister Datuk Megat Junid Megat Ayub, Ministry Secretary-General Tan Sri Abdul Rahim Din, Inspector-General of Police Tan Sri Abdul Rahim Noor, chairman of Armed Forces Religious Corps Brigadier General Datuk Abdul Hamid Zainal Abidin, Director-General of Islamic Affairs in the Prime Minister's Department Datuk Zainal Abidin Abdul Kadir and Associate Professor Mohamed Hashim Yahaya of the Syariah [Religious Law] Faculty of Universiti Malaya and State mufti.

Questions to Ashaari and the other seven former al-Arqam members were put forward by Abdul Hamid and Hashim. Ashaari appeared without the familiar Arqam dress of green turban and robe and wore a light blue baju Melayu [Malay shirt] and sampang [short sarong] and a white skull cap instead. His followers also wore baju Melayu with white skull caps.

He thanked the police on behalf of al-Arqam followers, saying that "because of them we realised our mistakes and because of them this dialogue has materialised where we can discuss and know each other".

Ashaari said he and his friends asked for forgiveness from the police, Pusat Islam and all members of the National Fatwa Committee for "our attitude which caused much problems to the authorities".

"Let us pray to God that this dialogue would settle our misunderstandings and problems to enable us to live together in peace and harmony," he said.

Twenty Detained on Internal Security Charges

BK2210112994 Kuala Lumpur NEW STRAITS TIMES in English 19 Oct 94 p 6

[FBIS Transcribed Text] The Government has detained 20 people under the Internal Security Act [ISA] for falsifying documents, including identity cards and passports, because these actions could be detrimental to the nation's security.

Home Ministry Parliamentary Secretary Ong Ka Ting said one man was detained under the ISA for selling government secrets and six others for their involvement in the Communist Party of Malaya [CPM]. He said the CPM members were detained under the ISA to rehabilitate them.

In reply to a supplementary question by Lim Kit Siang (DAP [Democratic Action Party]-Tanjong), who wanted to know whether offences relating to identity card falsification warranted their detention under the ISA, he said no decision had been made.

Singapore

Spokesman on U.S. Reaction to Lingle Case

BK2110143794 Singapore Radio One in English 1400 GMT 21 Oct 94

[FBIS Transcribed Text] Singapore's Foreign Ministry says it is surprised that the U.S. State Department has seen fit to comment on the case of NUS [National University of Singapore] academic Christopher Lingle and to describe it as apparent intimidation of him. A ministry spokesman said the police did not harass or intimidate Lingle. Lingle himself has said he was treated with dignity and professionalism by the police.

The spokesman pointed out that Lingle was being investigated for possible contempt of court and criminal

defamation solely because of his comments on the judiciary. And if the attorney general decides to cite Lingle for contempt or charge him with criminal defamation, it would be done in an open court of law. The spokesman added that Lingle can be defended by lawyers of his choice and due process of law will take its course, and if Lingle has not in effect committed contempt or criminal defamation, he will be acquitted.

Muslim Body 'Thankful' for Al-Arqam Confession

BK2410122294 Singapore THE STRAITS TIMES in English 22 Oct 94 p 25

[FBIS Transcribed Text] The Islamic Religious Council of Singapore (Muis) yesterday urged Al-Arqam followers here to renounce the group's teachings, following the televised confession of their leader, Haji Ashaari Muhammad.

In a press statement, Muis said that it was "thankful and glad" that Haji Ashaari had confessed he had deviated from Islamic teachings and repented.

The confession by the al-Arqam leader was recorded during a discussion with top religious scholars in Kuala Lumpur on Thursday and broadcast unedited over Radio Television Malaysia (RTM) on the same day. Haji Ashaari, who had been detained together with his aides under the Internal Security Act (ISA) since last month, had described his teachings as "all rubbish", saying that he would never repeat them.

In yesterday's statement, Muis said it was also glad that Haji Ashaari had promised to bring his followers, numbering more than 10,000 worldwide, back to the true path.

The movement is believed to have a following of between 300 and 500 in Singapore. Several members contacted last night declined to comment.

On Haji Ashaari's comment that he had not sought the opinions of religious teachers, Muis said this was a reminder to Muslims to seek learned opinions to avoid deviating from correct teachings.

At the height of the controversy, Muis had ruled that al-Arqam teachings, while not deviationist, might mislead those who were not steeped in religious knowledge. It had advised Muslims here not to take part in the group's activities and cautioned mosques against supporting the movement.

Al-Arqam followers are easily identified by their dressing. The men usually wear blue-black, green or grey robes and cone-shaped turbans. The women are almost always veiled in black.

Cambodia

KR Radio Says 10 'Hidden' Vietnamese Killed

BK2410053794 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 23 Oct 94

[FBIS Translated Text] On 20 October people revolted and attacked hidden Vietnamese at (Kalai) village in

Kompong Chhnang commune, Kompong Leng District, Kompong Chhnang Province, killing 10 and wounding two; two AK rifles, a machine gun, a K-59 pistol, and 300 rounds of AK ammunition were seized.

The people say that these Vietnamese are hidden elements of the Communist Party of Vietnam and have been set up to lead all sectors of the puppet administration in Kompong Leng District. It is these Vietnamese who have plundered and expropriated the people's land and forest for their fellow Vietnamese. They got thousands of fellow Vietnamese families to come over and build houses haphazardly on the people's land.

The Cambodian people are suffering all kinds of hardship because of these Vietnamese animals. The Cambodian people in Kompong Leng District are up to their neck with anger; they will not remain idle and let themselves be killed at will by the Vietnamese. They have joined together to fight, hack, and club these hidden Vietnamese so that the people can live, earn a living, and work their land normally again.

Khmer Rouge Army Denounces U.S., Allies

BK2310072994 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 20 Oct 94

[“Communique” of the Ministry of the National Army of the Provisional Government of National Union and National Salvation; dated 20 October—read by announcer]

[FBIS Translated Text] I. The Provisional Government of National Union and National Salvation [PGNUNS] has all along joined with the Cambodian nation and people in denouncing and condemning the United States and other villainous Western allies for giving money to communist Vietnam and the two-headed government, the tool of aggression of communist Vietnam, to buy ammunition, spare parts, small and large guns, and tanks from Russia and eastern European countries—former Warsaw Pact members—to continue fueling the communist Vietnamese aggressors' war to kill the Cambodian nation and people.

This matter has now been laid bare. Recently, they gave funds to the two-headed elements to buy many tanks and armored cars and helicopters equipped with rocket-firing devices. Ships of the villainous Western alliance frequently visit Ream and Kompong Som ports bringing large and small guns and ammunition for the two-headed government.

II. Everyone knows all along about the following activities of the United States and villainous Western allies:

A. They took turns sending military delegations to Phnom Penh and openly said they are providing military aid to the two-headed government.

B. They have been busily sending military advisers and experts to help the two-headed government. This is still going on.

C. The United States has set up a command in Phnom Penh to collaborate with communist Vietnam to continue fueling the communist Vietnamese aggressors' war in Cambodia.

D. Through a so-called reform scheme of the two-headed government army, the United States had agreed to dissolve the two categories of puppet armies, both the Para troops of Dien Del and of Ranariddh. The United States has agreed to let officers, puppets of communist Vietnam, have exclusive command over these troops.

E. They have taken turns inviting leaders of communist Vietnam's puppets to visit the United States, Australia, and France.

F. At the order of communist Vietnam and the villainous Western allies, both puppets Hun Sen and Ranariddh have kept clamoring that with the Khmer Rouge there will be no compromise, only liquidation. They have also run around asking for aid from the villainous Western allies.

III. All these are irrefutable proofs that the United States and other villainous Western allies are more deeply involved in collaborating with communist Vietnam to commit aggression against Cambodia for the second time. This is not developing Cambodia. There is no aid for developing Cambodia. There is only military aid for the cruel and fascist puppet troops of communist Vietnam to forcibly recruit peasants from the countryside as soldiers and militiamen and send them to die in the flames of war. There is only the cruel and fascist administration of communist Vietnam that continues to crack down on, arrest, detain, and kill students, low-ranking officials, and journalists in Phnom Penh and in other cities in Cambodia. Communist Vietnam continues to send Vietnamese nationals, there are four million of them now, to annex Cambodia. There is only more starvation and victimization of the Cambodian people. Only the Cambodian nation and people in the countryside and in cities, who have been suffering hardship and separation for 15 years, continue to endlessly suffer.

IV. The U.S. Administration has openly declared that the defeat of its first aggression against Cambodia cannot prevent it from returning to Cambodia a second time. Its return to Cambodia for the second time is through the asshole of communist Vietnam and collusion with communist Vietnam to destroy the Paris agreement and the four-party national reconciliation. It has bought the two-headed government to continue the war of the communist Vietnamese aggressors to kill the Cambodian nation and people and allow communist Vietnam to bring in Vietnamese nationals to annex Cambodia through a demographic war.

What are the results of this policy? The United States can answer this question with its conscience. The real situation however remains, that communist Vietnam has been defeated for 15 years. Now communist Vietnam, the villainous Western allies, and the two-headed government are also defeated to the extent that the two-headed government—which is their tool of aggression—is in great panic and disintegrating in every field, military, political, economic, and financial. Even the outer layer of the two-headed government is now very dry, and only the head remains. That is the head of puppet Hun Sen of communist Vietnam. As for Ranariddh, he is just a puppet of communist Vietnam's puppet. He is used by communist Vietnam to clown around on behalf of puppet Hun Sen.

V. The Cambodian nation and people, Democratic Kampuchea, and the PGNUNS have again and again declared and repeatedly specified that they do not want to be enemies of the people of the United States, Australia, and France. In the past as in the present, the Cambodian nation and people, Democratic Kampuchea, and the PGNUNS stand by a lofty spirit of responsibility. They will continue to constantly adhere to this in the future. The Cambodian nation and people, Democratic Kampuchea, and the PGNUNS are waging a struggle on their own land only to defend themselves and to safeguard their nation and race. They are not committing aggression against any country.

They are not fighting for gain, power, and rank for themselves or for their groups. Our Cambodian nation and people have experience in fighting against all types of aggressors. Our army and people will certainly achieve our sacred goal of ending the war of the communist Vietnamese aggressors and villainous Western allies so that Cambodia has peace and national reconciliation and a genuine national government with all the nation's forces taking part in it without discrimination against the past or political colors. This is in order to have sufficient national strength to resolve the nation's small and big problems, national and social issues and the issue of 4 Vietnamese nationals who have been brought in to annex Cambodia through a demographic war.

20 October 1994

The Ministry of the National Army of the PGNUNS

Khmer Rouge Inveigh Against Local Administrators

BK2310091894 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 22 Oct 94

[Station editorial: "The National Army of Democratic Kampuchea and People Are Actively Attacking and Dismantling the Two-headed Government's Military and Civilian Administration To Annihilate the Two-Headed Elements"]

[FBIS Translated Text] After drawing experiences in the defense of the old and new liberated villages, the

National Army of Democratic Kampuchea [NADK] and people on various battlefields throughout the country have drawn the following key conclusions:

1. The people and NADK jointly produce punji stakes, booby traps, and [words indistinct] for use in coordination with modern weapons in effectively defending old and new liberated villages and localities.

2. The (?most important) factor is that our NADK and people are well aware that after liberating the villages, it is imperative to dismantle and sweep out the two-headed government's military and civilian administrators. This is because they are the eyes and ears of the two-headed elements and all manner of implanted Vietnamese subversive and pacifist agents guiding the two-headed troops to conduct operations and recruit soldiers and militiamen. After they are dismantled, the two-headed elements would dry up and disappear.

Our NADK and people on various battlefields, especially Siem Reap, Preah Vihear, Routes 68 and 69, and Battambang battlefields, have actively implemented this measure, successively smashing and sweeping out military and civilian administrators, especially civilian ones.

In line with this experience, the people have been able to defend both the old and new liberated villages and to strengthen and expand their localities even more effectively.

At present, the NADK and people are continuing to dismantle and sweep out both the covert and overt civilian administrators of the two-headed elements. The people say this is the key factor in waging the guerrilla and people's warfare against the communist Vietnamese forces, two-headed elements, and allies so as to put an end to the communist Vietnamese war in their villages, communes, and districts.

Ranariddh: Hostages' Families 'Hounding' King

BK2210133194 Hong Kong AFP in English 1001 GMT 22 Oct 94

[FBIS Transcribed Text] Phnom Penh, Oct 22 (AFP)—King Norodom Sihanouk was being driven "demented" over the Khmer Rouge's detention of three foreign hostages in Cambodia's southern Kampot province, co-premier Prince Norodom Ranariddh said on state television Saturday.

"The King has been driven almost demented because the three foreign hostages are not free yet," the prince said Friday while addressing Khmer Rouge defectors in Kampot's coastal town of Kep, near where the three hostages are being detained.

Prince Ranariddh said his father, King Sihanouk, had recently written to him saying the hostages' families, their governments and the media were hounding him "day and night" asking when the three backpackers would be freed.

"I would like to send a message to all the children of our father (the king): if we love our father we must not let him suffer," the prince said.

The prince called on Khmer Rouge chief Commander Pet, who is holding the hostages, to release them. "If Pet loves our father, he should not drive him mad," he said.

Prince Ranariddh then appealed to the Khmer Rouge to either defect or free the hostages in honour of the king's forthcoming 73rd birthday.

The prince was speaking at a ceremony to celebrate the fact that Commander Rin, one of Pet's deputies, and some 140 of his fighters recently defected to the government side.

Rin was responsible for carrying out the bloody July 26 train ambush in which Frenchman Jean-Michel Braquet, 27, Briton Mark Slater, 28, and Australian David Wilson, 29, were seized.

Hearing that Rin had got his hands on potentially lucrative merchandise, Pet ordered that the three be transferred to his adjacent base on remote Phnom Voar (Vine Mountain), where they are still believed to be detained.

Reports from defectors say the three are alive but thin, and an embassy official said he had received no hard information about their fate for several weeks.

The prince, who was accompanied by senior government officials, presented Rin with three million riel (roughly 1,100 US dollars, and a quantity of medicine to help the defectors and their families.

Prince Ranariddh promised the guerrillas that they could join the government forces or stay in their villages as they wished and added that he had ordered the troops not to loot their belongings.

Rin on Thursday radioed Khmer Rouge relatives still with Pet, urging them to defect. The relatives, however, declined the offer and government forces then fired several shells at Pet's base.

A Western diplomat said he believed Rin and his men were lured to defect by increasing military pressure, negotiations, and perhaps foremost, financial incentives.

Rin, however, told AFP that he did not think that Pet would defect as he was close to the radical faction's top leadership and had recently been promoted by Khmer Rouge nominal leader Khieu Samphan and military boss Son Sen.

Radio Supports Government in Reshuffling Cabinet

BK2210114894 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 20 Oct 94

[Political commentary: "Change for Improved Efficiency"]

[FBIS Translated Text] At the third plenary session of the first legislature on 20 October, the National Assembly which represents the voice of the people nationwide, approved by an overwhelming majority some changes to the cabinet at the recommendation of the two prime ministers, Samdech Krompreah Norodom Ranariddh, first prime minister; and Samdech Hun Sen, second prime minister.

This is an important event for the Royal Government which will have served one full year in the next half month.

It is true that in this short period of time the Royal Government has been able to assess its capability to do the job.

Everyone should understand all the reasons for the Royal Government's reshuffle of some cabinet members. First, all of us must understand that a reshuffle is an ordinary practise usually carried out by governments of all countries. No prime minister in the world would dare guarantee that there would be absolutely no reshuffle of his cabinet.

Even the U.S., French, UK, of Japanese governments have had cabinet reshuffles despite their political stability and dynamic economies. Therefore, there is nothing strange with the reshuffle in our country which, having experienced war for over two decades, is rebuilding and developing its economy, and is being victimized by the outlawed Khmer Rouge. Moreover, as Prince Krompreah the first prime minister stressed in an interview with Singapore's BUSINESS TIMES on 14 October, the reshuffle of our cabinet was not caused by any problem with one or two ministers. Rather, it was the Royal Government's intention to further consolidate our unity and harmony for the nation, religion, and king.

The prince added that this reshuffle was not because of problems with individuals, but a question of the Royal Government's general policy and a question of moving forward quickly.

What is the Royal Government's quick move forward? It is the development of the motherland in line with slogan—to enable the people to get rich before the state.

To realize this noble goal, the Royal Government has paid attention to strengthening three structures, namely, the Cambodian Development Council headed by the samdech first prime minister, the Ministry of Economy and Finance, and Ministry of Trade.

These three institutes should be strong and harmonized. If there is any problem among officials in these three ministries, we will not be able to proceed any more quickly than at present. Moreover, this cabinet reshuffle is done in connection with the fervent request of our people, who have demanded that the Royal Government bolster its leadership, especially at this stage when it is striving to restore and build the country rapidly in all fields.

Additionally, the people who are the owners of the country and their votes firmly support the Royal Government's decision to change some members to consolidate the capabilities of members within the cabinet.

Our people continue to actively join with the Royal Government in implementing its policy to achieve success, which is the common interest of the nation. Our people will absolutely not support anyone attempting to exploit this cabinet reshuffle, and will regard those who do as opportunistic and selfish persons who crave for overwhelming power, cause rifts to our king's national reconciliation policy, and open ways for the Khmer Rouge to return to massacre our people again.

Article Predicts Cabinet Shakeup, Rangsi Departure

BK2310065694 Hong Kong FAR EASTERN ECONOMIC REVIEW in English 27 Oct 94 p 16

[Article by Nate Thayer]

[FBIS Transcribed Text] In an opinion poll in October, Cambodia's Finance Minister Sam Rangsi was named the most popular political figure in the country. Even King Norodom Sihanouk has acknowledged that Rangsi was "the people's hero" for his tough stance against powerful vested interests and institutional corruption.

But Cambodia's real bosses, co-Prime Ministers Prince Norodom Ranariddh and Hun Sen, have been gunning for Rangsi since January. Now, in a major shake-up designed to weed out their opponents within the government, the two premiers are expected to make Rangsi their most prominent casualty.

Rangsi told the REVIEW on October 18 that he knew he was to be fired, and he appeared to take the decision gracefully. "I'm prepared to accept any decision of the prime minister because he has a right to reshuffle and change his ministers. Any ministry is not private property," he said.

The REVIEW has also learned that Foreign Minister Prince Norodom Sirivut will resign in solidarity with Rangsi. Sirivut is secretary-general of Funcinpec, the Ranariddh-led party that won last year's elections.

In an interview with Singapore's Business Times on October 14, Ranariddh cited the need for "unity and cohesion" as his reason for firing Rangsi.

The reshuffle was aimed at allowing him and Cambodia to go faster, he said. But diplomats and other government officials said the real reason was Rangsi's tough anti-corruption reforms.

Senior government sources add that besides losing his finance portfolio, Rangsi will be expelled from Funcinpec and be stripped of his position as a member of Parliament. The last move is designed to prevent him from using the house as a venue for pushing reforms and questioning government policy in the future.

National Bank To Circulate New Bank Notes

BK2210102394 Phnom Penh AKP in French 0402 GMT 22 Oct 94

[FBIS Translated Text] Phnom Penh 22 Oct (AKP)—The National Bank of Cambodia has just made a statement concerning the issuance of new bank notes.

Bills of 50, 10, 200, and 500 Riels will be put into circulation along with 1,000, 2,000, 5,000, 10,000, 20,000, 50,000, and 100,000 Riel bills.

The old bank notes will be replaced gradually through salaries of civil servants and exchange.

The 50, 100, and 500 Riel bills will be circulated first followed by the 1,000 and 2,000 notes.

Province in Northeast Needs Rice Seeds

BK2210130394 Phnom Penh AKP in French 0400 GMT 22 Oct 94

[FBIS Translated Text] Phnom Penh 22 Oct (AKP)—Kratie Province, on the bank of the Mekong river, has been damaged by floods last August and September. According to Provincial Governor Nu Phoeung 380 tons of rice seeds are needed.

The government of the Kingdom of Cambodia has attempted to respond to this call: 20 tons of fast growing rice have been provided to the province.

Over six tons of rice seeds have arrived in Kratie District, the most seriously damaged. At least another seven tons have been distributed among Sambo, Chhlong, and Prek Prasap Districts.

Indonesia

Suharto Welcomes U.S.-DPRK Nuclear Agreement

BK2210112294 Jakarta ANTARA in Indonesian 0812 GMT 22 Oct 94

[FBIS Translated Excerpt] President Suharto, who is also the chairman of the Nonaligned Movement (NAM) welcomed the United States and DPRK nuclear agreement and expressed the hope that pact would ease tensions in the Korean Peninsula.

Speaking on NAM's reaction, Minister and State Secretary Murdiono told newsmen in Jakarta on Saturday: "Indonesia hopes that the nuclear agreement between the two countries would ease tension in the Korean peninsula". [passage omitted]

The NAM chairman is confident that the agreement will serve as the basis for the settlement of problems in the Korean Peninsula, which will in turn create peace, and bring stability and cooperation to the region.

Murdiono said that the NAM chairman continues to keep pace with developments in the Korean peninsula.

Due to this, Nana Sutresno, chairman of the NAM steering committee, had been ordered to keep contact with all related parties.

"The NAM steering committee's objective of keeping in constant contact with them is to join in the efforts to create a conducive situation," he added.

Responding to newsmen, Murdiono said Indonesia is very happy to be elected to a non-permanent seat on the UN Security Council for the 1995-96 term. [passage omitted]

Legislators To Visit DPRK, Meet Kim Chong-il

BK1710125594 Jakarta ANTARA in Indonesian 1108 GMT 17 Oct 94

[FBIS Translated Text] Jakarta, 17 Oct (ANTARA)—An Indonesian parliamentary delegation visiting North Korea from 16-22 October is scheduled to meet with North Korean President [title as received] Kim Chong-il.

"This is the first visit to North Korea by an Indonesian delegation which will meet the new leader," Foreign Minister Ali Alatas said to reporters in Jakarta Monday after the signing of a loan agreement with Belgium.

The Indonesian parliamentary delegation, led by Wahono, speaker of the House of People's Representatives, consists of seven members. The delegation is scheduled to meet not only the North Korean president but also the North Korean Parliament speaker. They will also visit several industrial estates.

Alatas declined to comment further on the delegation's trip to North Korea and its relationship to the nuclear issue in the Korean peninsula. "There is no special message and it is just an ordinary goodwill visit", he said.

The last visit to North Korea by an Indonesian parliamentary delegation was in 1991 and it was led by Syaiful Sulun, one of the parliamentary deputy speakers at that time.

Ulemas Hail Confession by Al-Arqam Leader

BK2110141794 Kuala Lumpur Radio Malaysia Network in Malay 1300 GMT 21 Oct 94

[FBIS Translated Text] Ashaari Muhammad's confession that al-Arqam has deviated from Islamic teachings has proved that the action taken by Malaysia and the Indonesian Ulemas Council against the movement is right. Hassan Basri, chairman of the Indonesian Ulemas Council, said this in Jakarta today and hoped Ashaari's confession will motivate al-Arqam followers to immediately renounce the movement's teachings and return to the correct Islamic teachings. He said Muslim concern over al-Arqam teachings and their consequences will disappear immediately following the confession.

Hassan was commenting on the confession by Ashaari and some of his followers during a dialogue session at the

Malaysian Islamic Center in Kuala Lumpur yesterday. Hassan praised the Islamic Center for using consultations, including this dialogue session, to have Ashaari and his followers renounce their teachings. He hoped the Islamic Center will provide the Ulemas Council with all information regarding Ashaari's confession. The center should also send videocassettes to be distributed among Muslims and Ashaari followers in Indonesia.

Editorial Hails Environmental Ties With Malaysia

BK2310115894 Jakarta SUARA PEMBARUAN in Indonesian 10 Oct 94 p 2

[Editorial: "Indonesian-Malaysian Cooperation in Environmental Conservation"]

[FBIS Translated Text] After reading a report on Malaysia's call for global assistance with the forest fires in Indonesia, we could sense Malaysia's sympathy for us. Malaysia did not protest the thick smoke in the sky caused by the raging forest fires on several Indonesian islands, which had probably disturbed people in neighboring countries. Malaysia called for global aid to tackle the forest fires because pollution from such fires, in Indonesia or elsewhere, results in great losses to mankind.

It is interesting to note that the news was released after Tan Sri Haji Abdul Taib Mahmud, chief minister of Sarawak [East Malaysia] and Jamaludin Suryohadikusumo, Indonesian forestry minister, launched bilateral cooperation on environmental and wildlife conservation in Batang Ai, Kuching, Sarawak on 7 October. This event reminds us of the difficulties experienced by the two sides several years ago when an Indonesian timber concessionaire was believed to have encroached into an area belonging to the neighboring country. Perhaps this happened due to the absence of clear demarcation marks along the border, and probably the concessionaire had no authentic map showing the border lines. Another possibility was that the concessionaire intended to cut trees in an area larger than what had been awarded to him.

Indonesia and Malaysia have a common land border. Cooperation between the two countries, especially in conserving nature and wildlife, should always be based on the etiquette observed in their bilateral ties. This is because the flora and fauna in the jungles along their common border will never "understand" the geographical boundary between the two territories.

There was urgent need for cooperation because of threats from international organizations and other environmental groups.

The dilemma facing the whole world places developing countries such as Indonesia and Malaysia in a difficult position. On the one hand, the industrialized countries have flattered us by considering us to be owners of the tropical rain forests that are an international heritage. They say that the jungle flora and fauna are cause for

hope and the "guarantee for continuity" of life. On the other hand, apart from cursing and accusing developing countries for destroying and losing the forests which they consider global property [preceding two words in English], many industrialized countries are still greedily importing tropical forest products and wildlife for use in scientific experiments.

There is a good sign now, however. While the rest of the world is pointing its collective finger at us, charging us with damage to the environment, we have learned a lesson. The reality is that it would be advantageous if the developing countries could cooperate and think of the best way to serve our interests, because we are the countries that own the natural resources and wildlife. This is important for the continuity of all mankind. We have to realize that we have strong bargaining power [preceding two words in English] in confronting the accusation of developing countries that consider our environmental management improper.

We have also realized that all past and present efforts to conserve the environment are not only important for all mankind, but to Indonesia and Malaysia for the sake of continuity as nations.

Suharto Reaffirms Commitment to Rights Protection

BK2410070394 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 24 Oct 94

[FBIS Translated Text] The protection of human rights is not simply a legal or political program for the Indonesian people. Opening the second workshop on human rights at the State Palace this morning, President Suharto stated that the protection of human rights is also a manifestation of faith in the almighty god and the implementation of Pancasila as the state philosophy and ideology. According to President Suharto, the Indonesian culture is indeed growing thanks to contributions made by cultures around the world.

[Begin Suharto recording] As part of a community of civilized nations and a member of the United Nations, we must study various UN decisions on human rights. We must ratify the decisions that are good and compatible with our nation's philosophy and ideology. Meanwhile, we must further study the incompatible ones and, if necessary, make adjustments before ratifying them as part of our national laws. In the process of development, activities that result in violations of human rights can happen, but those were excesses that have already been jointly addressed. Our development aims to promote the living standards and dignity of human beings. This is closely related to efforts to promote the protection of human rights. [end recording]

Earlier, Foreign Minister Ali Alatas reported that the workshop is focusing on three main points, in this case the ratification of international instruments of conventions on human rights, dissemination of information on

human rights and human rights education, and issues that need to be given priority in the implementation of human rights.

Official Discloses Surrender of E. Timor Rebel

BK2210093394 Jakarta ANTARA in Indonesian 0756 GMT 22 Oct 94

[FBIS Translated Text] Dili, 22 Oct (ANTARA)—Umberto de Cruz, a member of the East Timor GPK [Security Disturbance Movement] from the group led by Lere, has surrendered to the security authorities in Boboto-Iliomar village, Lautem district, about 200 km east from the provincial capital Dili.

"Umberto surrendered unarmed to the local security authorities and is now under interrogation. He will be returned to his family soon," Major (Infantry) Laedan Simbolon, chief of the Information Service of the 164th Wiradharma Resort Military Command, told ANTARA in Dili on Saturday.

Simbolon said Umberto had surrendered on Friday morning (21 October) to the authorities in Los-Palos, the capital of Lautem district. Umberto said his surrender was prompted by his disappointment over the unfulfilled promise that he will receive assistance for his struggle in the East Timor jungles and mountains.

Simbolon said with the surrender of Umberto and seven others from March to October 1994, only 188 GPK members now remain at large.

Laos

President Returns From Indonesia After Visit

BK2410092294 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 24 Oct 94

[FBIS Translated Text] His Excellency [H.E.] Nouhak Phoumsavan, president of the Lao People's Democratic Republic [LPDR], and his wife returned to Vientiane from the Republic of Indonesia by a special Lao Airways flight on the morning of 23 October after ending a five-day official friendship visit at the invitation of H.E. Suharto, president of the Republic of Indonesia.

During the visit, the leaders of the two countries expressed hearty satisfaction over the development of the good relations, cooperation, and mutual assistance between the governments and the peoples of Laos and Indonesia in the past and the present. Both sides expressed the conviction that following the official friendship visit by President Nouhak Phoumsavan on this occasion, the relations and cooperation between the two countries will be vigorously further expanded. The meeting between H.E. President Nouhak Phoumsavan and H.E. President Suharto and the official talks between H.E. Somsavat Lengsavat, foreign affairs minister of the LPDR, and H.E. Ali Alatas, foreign affairs minister of Indonesia, and their delegations in Jakarta

on the morning of 18 October particularly brought about a high level of mutual understanding and an unanimity on many international and regional issues, including the bilateral relations. Following the meeting and talks, which proceeded in a creative and straightforward manner, an agreement on investment promotion and protection and on the economic and technical cooperation between the two sides was jointly signed between the foreign affairs ministers of the two countries at noon of the same day.

Army Department Chief Leaves for PRC, DPRK

BK2310110694 Vientiane Vitthayou Hengsat Radio Network in Lao 0430 GMT 22 Oct 94

[FBIS Translated Text] At noon on 20 October, a delegation of the General Political Department of the Lao People's Army [LPA], headed by Comrade Lieutenant General [Lt. Gen.] Siphon Phalikhan, member of the party Central Committee, deputy minister of national defense, and chief of the LPA General Political Department, left Vientiane for official friendship visits to the PRC and the DPRK at the invitations of the Chinese People's Liberation Army and the DPRK People's Armed Forces. The visits will last 12 days.

A send-off ceremony for the delegation was held at the National Defense Ministry meeting hall with the attendance of Lt. Gen. Ai Souli-gnaseng, member of the party Central Committee, deputy minister of national defense, and chief of the LPA General Staff Department; and many high-ranking officers.

Li Jiazhong, PRC ambassador extraordinary and plenipotentiary to Laos; [name indistinct], PRC military attache to Laos; and Chang Yong-chun, DPRK extraordinary and plenipotentiary to Laos, also attended the ceremony.

LPA Propaganda Delegation Visits SRV 11-18 Oct

BK2310104894 Vientiane Vitthayou Hengsat Radio Network in Lao 0430 GMT 22 Oct 94

[FBIS Translated Text] A delegation of the propaganda and training service of the Lao People's Army [LPA] newspaper and radio broadcasting program, headed by Comrade Brigadier General Khamsouang Chanthakouma, chief of the LPA propaganda and training service, paid a visit to the SRV from 11 to 18 October.

The goals of the visit included the following: to implement the agreement reached by the respective defense ministries; implement a cooperation plan on political work next year between the General Political Departments of the LPA and the Vietnamese People's Army [VPA]; and to exchange views and experience with the VPA Ideological and Cultural Department and the editorial staff of the QUAN DOI NHAN DAN newspaper.

The delegation held a working meeting with VPA General Political Department personnel and visited the LPA

War Veterans Association, the (Phien Tang) Division, the VPA art and cultural training school, the 26th Garment Factory attached to the VPA General Logistics Department, and the first printing plant of the QUAN DOI NHAN DAN newspaper.

The delegation was welcomed warmly by leading personnel of the VPA General Political Department.

More Refugees Repatriated From Thailand

BK2410122894 Vientiane KPL in English 0937 GMT 24 Oct 94

[FBIS Transcribed Text] Vientiane, October 24 (KPL)—408 Lao refugees staying in Napho Camp, Nakhon Phanom Province, Thailand, repatriated on October 20, reports 'VIENTIANE MAI' today.

A hand-over ceremony was held in Hat Saifong District, Vientiane Prefecture, with the participation of Lao and Thai authorities, representatives of the Thai embassy and of the United Nations High Commissioner for Refugees (UNHCR) in the Lao PDR [Lao People's Democratic Republic], writes the report.

The refugees, the seventh group of repatriates since early this year, are natives of Vientiane Prefecture, the provinces of Bolikhamsai, Vientiane and Xieng Khouang, adds the report.

The repatriation of Lao refugees in Thailand is to be completed by this year, writes the paper.

Philippines

GATT Ratification Faces 'Serious Legal Issues'

BK2410043594 Quezon City Radio Filipinas in English 0230 GMT 24 Oct 94

[FBIS Transcribed Text] The approval by President Ramos and the ratification by the Senate of the General Agreement on Tariffs and Trade or GATT has to grapple with serious legal issues. This is so because GATT will impose trade relations that are prohibited by the Constitution and will contravene in a number of Philippine laws.

The GATT imposes unfair competition and trade practices against Philippine enterprises and trade arrangement that are not based on equality and reciprocity. Moreover, the Constitution provides that all revenue and tariff bills shall originate exclusively in the House of Representatives with the Senate to interpose or concur with amendments. The GATT, if adopted, will supplant withdrawal or amend many of the country's tariff laws and impose many tariff rates without any initiative or participation of the House of Representatives.

Team Sent for 2d Round of Talks With Malaysians

BK2110090594 Quezon City Radio Filipinas in English 0230 GMT 21 Oct 94

[FBIS Transcribed Text] The Philippine Government has dispatched a 16-man team to Kuala Lumpur,

Malaysia for the second round of talks between Malaysian and Philippine officials. The news report said that the 16-man team will identify areas that will fall under the border patrol agreement of the two countries. Defense Secretary Renato de Villa and his Malaysian counterpart signed last month a memorandum of agreement which calls for joint cooperation and defense and military exchange and logistics.

Repatriation of Smuggling Suspects to PRC Refused

BK2110121694 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 0930 GMT 21 Oct 94

[FBIS Translated Text] The government will not allow repatriation of 33 Chinese smuggling suspects, in spite of Beijing's insistence. Justice Secretary Franklin Drilon declared that they have to face the charges filed against them. Drilon explains that once the Chinese are charged, they cannot be repatriated. The 33 Chinese nationals were arrested 5 October aboard two ships carrying smuggled goods. Beijing, however, said that five are policemen engaged in anti-smuggling operations and requests their return together with the two ships. Beijing says it will handle the investigation of the incident.

The Navy and the EIIB [Economic Intelligence and Investigation Bureau] investigated the MV Harbor Star again, one of the two ships where the Chinese were arrested with smuggled cigarettes, and they discovered more arms and ammunition. According to Benjamin Co, EEIB operations chief, investigators captured three [words indistinct] and 200 bullets inside the cabin of the ship's Indonesian captain, Samson Darondo, who said that they use the weapons to fight the pirates.

MILF Rebels Said To Hold 26 Civilians Hostage

BK2110122094 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 0930 GMT 21 Oct 94

[FBIS Translated Text] Twenty-six civilians are being held hostage by the MILF [Moro Islamic Liberation Front] rebels in North Cotabato. PNP [Philippine National Police] Chief Ricaredo Sarmiento says that the continued detention of civilians is part of the MILF retaliation since their defeat by the provincial government's military forces. DILG [Department of Interior and Local Government] Secretary Rafael Alunan says this could be a diversionary tactic by the rebels, but he refused to comment on allegations that MILF rebels are hiding in an MNLF [Moro National Liberation Front] camp.

[Begin Alunan recording in progress, in English] ...plunder of villages, massacres perpetrated by Moro bandits in North Cotabato against innocent civilians. This is the crudest form of warfare and the highest form of cowardice, which has no place in civilized society. [end recording]

Thailand

Cambodia's Sirivut To Resign; Urges Talks on Coup

BK2310141594 Bangkok Thai Color Television Channel 9 in Thai 1200 GMT 23 Oct 94

[FBIS Translated Text] Speaking to reporters during an interview at Bangkok Airport prior to his departure for Cambodia, Prince Norodom Sirivut, Cambodian deputy prime minister and foreign minister, said he does not want to see any misunderstanding between the Thai and Cambodian Governments in connection with the detention of nine Thai nationals in Phnom Penh. The two sides should hold negotiations because the matter is rather complicated. He said:

[Begin Sirivut recording in English] Some people [word indistinct] how to handle the matter. His Majesty the King, too, has reiterated that we must find some solution. [end recording]

Asked about the nomination of Police Lieutenant Colonel Thaksin Chinnawat for the post of foreign minister, Prince Norodom Sirivut said he did not want to comment on this issue because he will resign after his return to Cambodia.

[Hong Kong AFP in English at 0902 GMT on 23 October in a Phnom Penh datelined report adds: "Cambodia's foreign minister and deputy premier, Prince Norodom Sirivut, returned here Sunday from a month-long overseas trip with a statement that he planned to resign.

"I will put my request to the prime minister (Prince Norodom Ranariddh) for my resignation from both deputy prime minister and minister of foreign affairs," Prince Norodom Sirivut told reporters at the city's airport. He refused to comment further.

The foreign's minister's proposed move is believed to be in protest at the ousting of his close confidant, Finance Minister Sam Rangsi, in a cabinet reshuffle held on Thursday."

Probe Ordered on Thai Role in Cambodia Coup

BK2310105094 Bangkok THE SUNDAY NATION in English 23 Oct 94 p A1

[FBIS Transcribed Excerpt] The government will investigate Phnom Penh's allegation that some Thai officials were involved in July's coup attempt in Cambodia, Prime Minister Chuan Likphai said yesterday.

It had been agreed at a recent meeting of the National Security Council to form a committee to investigate the matter, he said.

Defence Ministry Permanent Secretary Gen Prasoet Sararit would chair the investigation.

"We will investigate only government officials. We have no right to investigate members of the private sector,"

the premier said when asked about Phnom Penh's suspicions that some Thai civilians were also involved in the failed coup.

The government's decision to carry out the probe comes more than two months after the arrest of 14 Thais in Phnom Penh shortly after the attempted coup on July 2. Five of them were later released after being cleared.

Cambodian investigators suspect that Thai government officials and civilians doing business in Phnom Penh were part of the coup conspiracy and have demanded to interview several of them.

Top Thai government officials and military leaders have flatly denied Phnom Penh's allegations.

Last week, three soldiers at the Army's Special Warfare Centre were punished for their presence in Cambodia during the failed coup. Army Commander in Chief Gen Wimon Wongwanit said this did not mean they were involved. They were punished because they did not follow the proper procedure when leaving for Cambodia.

NSC [National Security Council] Secretary-General Charan Kunlawanit has also denied any Thai security people were involved. Cambodian investigators have questioned the NSC's role and named two colonels on the list of people they want to interview.

Chuan yesterday said Wimon explained to the NSC meeting that the three punished soldiers were not involved in the abortive coup.

The government's investigation will have no influence on Phnom Penh's prosecution of the nine Thai coup suspects since the Cambodian government has full independence and authority in carrying out the legal process, he said. [passage omitted]

Minister Seeks Release of Cambodia Coup Suspects

BK2310104494 Bangkok THE SUNDAY POST in English 23 Oct 94 pp 1, 3

[FBIS Transcribed Text] In an apparent message warning Cambodia against putting the nine Thais on trial for involvement in the attempted coup in Phnom Penh, Deputy Prime Minister Chawalit Yongchaiyut said yesterday that he was trying to use personal contacts to impress upon Cambodian leaders "the necessity of keeping good ties" with Thailand.

Gen Chawalit, who is also interior minister, said he has sent his "people" into Cambodia and was using his personal contacts with Cambodian leaders to secure the release of the nine.

However, Gen Chawalit said that there has been no response so far from the latest attempt to get the nine released.

Cambodia is putting the nine on trial in a military court for their alleged involvement in the coup attempt in Phnom Penh last July. The trial is scheduled to start on October 27.

Gen Chawalit said that though it is not the duty of his ministry he was trying to help coordinate the attempt to get them released by contacting Cambodian leaders whom he knows personally.

Gen Chawalit played a crucial role when he was army chief several years ago in coordinating talks between the various factions that now comprise the Cambodian government.

On Thursday Thai Ambassador to Phnom Penh Sakthip Krairoek said that the outcome of the trial would be of "crucial importance" to the relations between the two countries.

Yesterday Gen Chawalit repeated the same message saying that Thailand has been trying to explain to Cambodia "the necessity of keeping the good ties between the two countries".

"We are trying to get the nine Thais released and are telling them that these people are just at the end of the line and it is of no use to arrest them.

"We should jointly try to find out the truth: Were they really involved in the coup and try to prevent such things from happening again," Gen Chawalit said.

He added: "We are trying everything and if the Cambodian leaders do not care then that's all right. We will stop the coordination here."

There have also been allegations that the Thai National Security Council [NSC] and private Thai companies were involved in the failed coup.

The NSC has categorically denied the charge.

Gen Chawalit said that the Foreign Ministry will be responsible for giving legal assistance to the Thais when they go on trial.

Prime Minister Chuan Likphai was asked yesterday about reports that outgoing Foreign Minister Prasong Sunsiri has asked that a committee be set up to investigate charges against the nine.

Mr Chuan said that this was a matter that was discussed by the National Security Council.

However, it was a matter concerning individual Thais and not the Thai people in general.

"It's a personal matter and if anyone did something wrong they have to be answerable to the law of that country. We have no rights to investigate the private sector," Mr Chuan said referring to the nine Thais most of whom have businesses in Cambodia.

Asked about Sqn Ldr [Squadron Leader] Prasong suggestion an investigation be made into one of the nine who

works for the Chinnawat Group and whether this will affect Thaksin Chinnawat who is to become foreign minister, Mr Chuan said they had not discussed this point.

He said that it was the right of the Cambodian government to try the nine but the country is doing everything it can to help its citizens.

However, if they committed a wrong then Thailand would have to respect the law of Cambodia.

"The Foreign Ministry is now coordinating this internally so that they release those who have done no wrong. I can't tell you of some of things being done," Mr Chuan said.

He said that Thai lawyers will be sent to help the nine defend themselves.

The Law Society of Thailand is sending lawyers to Cambodia today. Law Society president Sak Kosaengruang is leading the team of lawyers.

"That will help those who are innocent but for those who confessed we must see if they confessed under duress," Mr Chuan said referring to some of the nine who confessed they were involved in the coup and were in charge of cutting telephone and communications link.

Asked if the Law Society was asking for the government to help pay its expenses, Mr Chuan said that he does not know of this but the Thai embassy will be able to help in every way.

He said that the Thai authorities still have not seen the Cambodian charges and do not know what exactly the nine are being tried for since previously there has been reports that they were to serve as witnesses.

Envoy Expects Early Release

BK2410050494 Bangkok *THE NATION* in English
24 Oct 94 p A1, A3

[FBIS Transcribed Text] Phnom Penh—Thai Ambassador to Cambodia Sakthip Krairoek said Cambodia is putting out positive signals about the future of the nine Thais detained in connection with the failed July coup, firming expectations they will be freed.

Gen Ney Thol, chairman of the military court where the nine Thais will appear on Thursday, told Sakthip that the outcome of the trial would be good for Thailand-Cambodia relations.

"I am quite sure that there will be good news for the nine Thais who are now detained in T-3 prison," he said.

Gen Ney Thol even said that Cambodia would take care of the nine Thais until Thursday when they would be placed under the care of the Thai government. The general will be the judge for Thursday's trial.

The 14 Thais were arrested in July at Phnom Penh's Pochentong Airport shortly after a failed coup attempt

believed to have been led by Prince Norodom Chakrapong and retired Gen Sin Song. Five of those arrested were released in August, and have only recently been charged with involvement in the coup.

The Thais appearing in the military court are Somsak Surattananun, Anuchit Thungphonphum, Prathuang Phonyiam, Narongchai Tandawanit, Amnuai Nimnuan, Sakhon Chatsuk, Adisak Yutthamongkhon, Phongsan Phukklakhang and Aram Khomkrot.

Sakthip said that Gen Sin Sen, former deputy interior minister, and a few other Cambodians would also be tried on Thursday.

Cambodia exiled Prince Chakkrapong after the coup attempt, placing Gen Sin Song in a heavily guarded prison to prevent his escape.

The military court has appointed Cambodian lawyer Srei Sari to defend the nine Thais, with a Thai lawyer acting as legal adviser.

"It is still unclear whether Cambodia still wants to interview 20 other Thais in Thailand. I was recently informed by the military court that all investigations have been completed and the case will be considered by the court this week," he said.

Co-Interior Ministers Yu Hokkri and Sar Kheng recently sent a letter insisting that they wanted to interview the other 20 Thais, said the envoy. Earlier reports stated that Cambodia wanted to interview 14 other Thais in Thailand for more information, releasing the nine if the Thai government agreed.

Ambassador Sakthip said that five names on Phnom Penh's previous list of 19 Thais did not have passport numbers, therefore the Thai government said those five could not be located.

Phnom Penh recently resent the list, adding the name of a sales manager for Cambodia International Airline.

A group from the Law Society of Thailand led by its president Sak Kosaengruang visited Phnom Penh yesterday and discussed the situation with Sakthip to find a way to help the nine Thais.

Relative of the nine saw the group off at Bangkok airport. Chao Kuai, Aram's wife, gave a brief recorded message to a reporter and asked him to play the message to Aram.

"Chao said that she has given birth to a baby girl and nicknamed her 'Fa' (Sky) and won't give her a real name until Aram returns home and names her himself," the reporter quoted Chao as saying.

Sakthip said that the nine Thais were informed of "the expected good news" and seemed to feel more hopeful. The nine Thais are now packed in a cell with four Cambodian prisoners and the prison, known as T-3, is in poor condition, said the envoy.

During their visit in Bangkok, Cambodia's co-premiers, Prince Norodom Ranariddh and Hun Sen promised to release Aram for humanitarian reasons as his wife Chao was expecting a baby in the near future.

"The promise was not met because Phnom Penh wanted me to officially guarantee Aram's return to Cambodia if demanded, (but) because according to Thai laws, the Thai government cannot force any Thai citizen to leave the country," said the ambassador.

Cambodia's Foreign Minister Prince Norodom Sirivut sent a letter during the Association of Southeast Asian Nations meeting in July asking for Thailand's full cooperation with Cambodian laws outlawing Khmer Rouge guerrillas.

Prime Minister Chuan Likphai responded to Cambodia's request by letter, asking for more information on what Thailand could do to help enforce the laws.

Dismissed Cambodian Finance Minister Praised

BK2310125094 Bangkok *THE SUNDAY NATION* in English 23 Oct 94 p A4

[Editorial: "Lack of Wisdom in Expelling Cambodian Minister Rangsi"]

[FBIS Transcribed Text] In a government characterized by stasis, Sam Rangsi stood out as one of the few figures in Cambodia with the ability to get things done. During his short reign as finance minister he presented Cambodia with its first balanced budget, introduced an investment law, helped put a cap on inflation, stabilized the riel and launched a campaign to clean up the country's corruption-riddled customs service.

Abroad, Rangsi was lionized by the international donor community as one of Cambodia's most able and honest administrators. At home, he was equally popular among the small people. According to an opinion poll taken last month he was the most respected minister in the country. Further, he had the backing of Cambodia's revered monarch King Norodom Sihanouk, who warned only last week that the country's fragile economic recovery would be jeopardized if Rangsi was replaced.

In Cambodia's zero sum style of politics, however, it made him a marked man. And on Thursday, Rangsi's tenure at the Finance Ministry came to an end when he was removed in a Cabinet reshuffle.

First Prime Minister Prince Norodom Ranariddh said the change would result in a more unified government. Rangsi was faulted for creating friction between the royalist Funcinpec [The National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party and their old enemies the Cambodian People's Party (CPP) and also between the finance and commerce ministries.

Even those close to the minister concede he was a poor communicator and Rangsi's disdain for some of the

former communists, especially those involved in under-the-table dealings was rarely disguised.

Some observers have speculated that Ranariddh might also have been relieved to be rid of Sam Rangsi because of his increasing popularity among young voters.

Sam Rangsi's demise began earlier this year with his crusade to weed out corruption in the Customs Department by introducing a controversial import testing service. The move earned him the lasting enmity of CPP chief Hun Sen, who publicly declared his opposition to the service.

The minister provoked strong opposition when he mounted several highly public raids on illegal logging operations which involved corrupt officials. He also raised the ire of Ranariddh with a highly nationalist campaign against Hong Kong-based businessman Teng Boon Mah—a principle financial supporter of the prince—over the high price of stalls at a new market.

In July, Rangsi dissented from the party line when he opposed a bill to outlaw the Khmer Rouge guerrilla group. He also publicly opposed a decree by Ranariddh and Hun Sen that would have allowed the Defence Ministry to collect logging taxes without any accountability.

Like many politicians Sam Rangsi is driven by great ambition. It is the force that propelled to try to make a meaningful mark on Cambodia's wretched economic landscape and the force that also drove him into confrontation with many of his colleagues.

According to some reports, Ranariddh may go as far as to expel Rangsi from FUNCINPEC in a bid to rid Cambodian politics of his crusading personality.

Even if these reports are true, it is unlikely that we have seen the last Sam Rangsi. Trained as an accountant, Rangsi true calling, though, is governing. Politics, especially dissident politics is in his blood and he won't be walking away willingly.

But much will depend on what kind of political system the country's current leadership is intent on bequeathing Cambodia. If it is Cambodia's traditional crush-and-rule style then Rangsi and the country is in trouble.

But if FUNCINPEC and Hun Sen can see the wisdom to allow an open and vigorous style of democracy that has room for mavericks such as Rangsi then the future of Cambodia looks bright.

Al-Arqam Threatens To Move Malaysian Businesses

BK2310103094 Bangkok *THE SUNDAY POST* in English 23 Oct 94 p 5

[FBIS Transcribed Text] Pattani—The al-Arqam Muslim sect may transfer all its businesses in Malaysia to other countries, including Thailand, if Kuala Lumpur

continues to harass its members, according to sect spokesman Mohammad Adam.

Al Arqam has already established some businesses in northern and southern provinces. They include a chicken farm in Satun, a goat farm and a roast chicken outlet in Phuket.

The sect planned to expand its businesses in Thailand, especially in the South. A mini-mart would be opened in Pattani, Mohammad Adam said.

He was relieved that the Muslim community and the Government in Thailand did not discriminate against or dislike the sect members as had been the case in Malaysia, where the sect is branded deviationist, he said.

Al Arqam leaders were in Pattani yesterday to participate in the celebration of the Haji Surong Foundation established in remembrance of the late Haji Surong, father of Deputy Interior Minister Den Tomina.

The celebration was to raise funds for construction in the province of the country's first hospital for Muslim people.

Al Arqam first tried to introduce its faith to Muslims in the South more than 10 years ago, but it was not greeted warmly.

The sect then moved to northern Thailand where it scored some success in spreading its faith among Muslim communities and in establishing businesses.

Army Officer Seeks Political Solution for South

BK2310105294 Bangkok THE SUNDAY NATION in English 23 Oct 94 p A2

[FBIS Transcribed Text] SONGKHLA—Newly-appointed 4th Army Region commander Lt Gen [Lieutenant General] Panthep Phuwanatnurak said yesterday he will place more emphasis on finding a political solution, instead of military means, to end the persistent terrorism in Muslim-majority southern provinces.

Lt Gen Panthep said he believed the policy initiated by former prime minister Prem Tinsulanon to suppress communist insurgency in the early 1980s could be applied to stamp out the decades-old separatist guerrillas in Pattani, Yala, Narathiwat and Satun.

"I have yet to draw up a comprehensive plan. But the basic principle is to try and win over the people to our side. We will try and explain to the people that guerrilla warfare will benefit nobody. It is bad for the local economies," Panthep said.

His predecessor, Gen Kittu Rattanachaya, ordered Army-trained rangers to carry out search-and-destroy operations against remnants of separatist guerrillas following the coordinated arson attacks on more than 30 schools in Yala, Pattani and Narathiwat in August last year.

Panthep said the military action against the separatist insurgents would continue, but that the emphasis would be shifted to finding a political solution in the future.

The southern army chief said he was scheduled to have talks with Malaysian authorities on border demarcation and military cooperation against separatist insurgents in Thailand.

"I believe Malaysia is a good neighbour. I believe all problems between the two countries can be resolved. After all we have resolved many problems through negotiations over the years," he said.

Kitti yesterday further said he believed his successor was capable of bringing peace to the southernmost provinces which have been plagued with religious tensions and separatism for decades.

"With the new southern Army chief and a new approach to dealing with the problem in the deep South, who knows, the persistent terrorism could end overnight," he said.

Kitti was credited with helping Malaysia end the armed struggle against Kuala Lumpur by the Communist Party of Malaya by offering guerrillas the option of settling in Thailand in exchange for peace.

But some southern Army officers complain that Malaysian authorities do not appear to have done enough to reciprocate Thailand's goodwill because leaders of Muslim separatist movements continue to find shelter in Malaysia's northern states.

Government Promotes Trade With South Asia

BK2410084494 Bangkok Radio Thailand Network in English 0000 GMT 24 Oct 94

[FBIS Transcribed Text] Thailand starts a major move to promote trade and investment cooperation more extensively with South Asian countries, namely India, Sri Lanka, and Bangladesh. Mr. Tirana Phongmakaphat, adviser to Deputy Prime Minister Suphachai Phanitchaphak, says the Committee on International Economic Relations Policy has proposed the project on economic cooperation with the subcontinent. The project calls for an economic strategy linking East Asia with South Asia with Thailand as the center. It will expand Thailand's leading role in the subregion into the Asian subcontinent. If proved successful, Thailand will not only serve as a gateway to Indochina but to South Asia and the Middle East as well. Mr. Tirana says the Committee on International Economic Relations Policy chaired by Deputy Prime Minister Suphachai Phanitchaphak suggests that Thailand help South Asian countries in their development. The success in the development of these countries will also benefit Thailand.

Prime Minister on Delays With Reshuffle List

BK2210121394 Bangkok BANGKOK POST in English 22 Oct 94 p 2

[FBIS Transcribed Text] Prime Minister Chuan Likphai says he might not be able to present the list of new

ministers to His Majesty the King for approval on Monday since some of them need more time to clear work in private companies.

Cabinet secretary-general Wisanu Khrua-ngam earlier said the reshuffle list was expected to be submitted to His Majesty on October 24.

The nominees holding positions in private firms which have concessions with government agencies or state enterprises are required under the 1991 Constitution to resign from those posts.

Mr Chuan said he would tell His Majesty what happened in the Cabinet reshuffle.

He said the ministers who tendered their resignations would help make the replacement proceed smoothly without long interruption in the operation of ministries.

Some ministers, however, have not yet submitted their resignations.

"Their reasons were that they would not resign and I had to report to His Majesty like that," Mr Chuan said.

For ministers who did not resign, His Majesty the King's announcement is needed to end their status.

Mr Chuan also said there should be no worry that certain nominees would be disqualified under the draft constitution amendment bill since people needed to adjust to the law.

Thaksin Row Boosts Phalang Tham Party Offensive

BK2410061094 Bangkok THE NATION in English
24 Oct 94 p A1, A3

[Report by Chularat Saengphasa]

[FBIS Transcribed Text] Until last week the only option for dissidents in the Phalang Tham Party [PDP] was to defect from the third-biggest coalition partner. But with their leader Prasong Sunsiri ready for a new offensive against the appointment of non-MPs to the Cabinet, the rebels can now set a more ambitious goal.

"If Prasong succeeds in scuttling the nomination of tycoon Thaksin Chinnawat as foreign minister he will shake the leadership of Chamlong Simuang like nobody has done before," a party insider said. If that happens, "Prasong can get a shot at the title," he added.

The outgoing foreign minister claimed he had won the preliminary round last week when his request for the formation of a government committee to inquire into allegations of Thai involvement in the abortive Cambodian coup in July was accepted by the prime minister.

On Saturday [23 October] Chuan confirmed the government's intention to investigate the looming scandal, but he indicated the probe would not reach Thaksin's telecommunications empire.

Prasong initially said he would set up a fact-finding committee himself. But he later appeared to have changed his mind by asking Chuan for a prime ministerial panel instead.

Prasong also contradicted Chuan on how far the investigation would go.

Speaking to reporters on Friday, the rebels' leader said the official investigators would dig to the bottom of the allegations that a group of Thai businessmen, politicians and even some security officials played some sort of a role in the failed power grab in Phnom Penh.

The investigation "will cover people who have connections with Chinnawat IBC Cambodia", Prasong said, referring to Thaksin's cable TV investment in the neighbouring country.

Whether Prasong was just bluffing or not, he succeeded in at least one thing—keeping alive the coup issue which has hounded Thaksin's nomination. The telecommunications mogul has strongly denied involvement in the controversial coup attempt, but his international credibility has been put to the acid test by Prasong.

Observers familiar with Prasong's political style recall his effective counter-attack on the opposition during a recent no-confidence debate. A key target of the censure, Prasong turned the tables on the opposition with a stunning allegation, backed by the US Embassy, that deputy Chat Thai leader Watthana Atsawahem was suspected of drug trafficking.

Phalang Tham sources said they believed Prasong would not have picked on Thaksin if he had nothing more up his sleeve. "At the least, Prasong must be confident that he has enough information to make the issue drag on," said a party insider.

After all, Thaksin's nomination has triggered a proxy war between Chamlong and disgruntled Phalang Tham MPs led by Prasong. The dissidents have already questioned the constitutional qualifications of Thaksin, whose mammoth business has dealings with several government agencies.

If Thaksin can clear all legal hurdles and survive the coup scrutiny, Chamlong can declare a victory over Prasong's faction. But the triumph will not bring peace.

"Chamlong is not the sole leader," declared former deputy public health minister Udomsin Sisaengnam last week.

"I helped form this party as well. So I have the right to campaign for the restructuring of the party to end its autocratic tradition. If I succeed, Chamlong will have to change his role and assume a more suitable position, probably that of a party adviser."

Obviously the rebels are launching a two-pronged attack. Their leader Prasong is focusing on issues with far-reaching impact, like the Thaksin controversy, which can

rock the reliability of Chamlong and his loyalists who dominate the party's executive board. Outspoken dissidents like Udomsin are keeping the party situation volatile with their daily swipes at the leadership.

The rebels and their sympathizers, who include nearly half of Phalang Tham's total MPs, can also open another battle front. MP Kuthep Saikrachang indicated last week that Chamlong will be required to clarify connections between Thaksin and ex-banker Wichit Suraphongchai, whom Chamlong nominated as communications minister.

Chamlong will be asked to clarify reports that Thaksin once offered Wichit an executive job in the Chinnawat group.

If the party leader fails to give a satisfactory explanation, he will face a greater crisis of confidence. For PDP constituents increasingly weary of the power struggle, business interests in the "good water" party could be the last straw.

Paper Urges Chuan To Dissolve Legislature

*BK2310070194 Bangkok SIAM POST in Thai
22 Oct 94 p 4*

[Editorial: "House Dissolution Is a Normal Matter"]

[FBIS Translated Text] The internal rift in the Phalang Tham Party, a partner in the coalition, is quite serious. It is probably better for Prime Minister Chuan Likphai to dissolve the House of Representatives so that a general election can be held within 90 days than to dismiss the Phalang Tham Party from the coalition and invite one of the opposition parties to join his government.

It is apparent that the division is going to be permanent. Not less than 23, probably 25, members of the House of Representatives of the Phalang Tham Party under the leadership Foreign Minister Squadron Leader Prasong Sunsiri expressed their strong objection to party leader Major General Chamlong Simuang's move, with the approval of the party's executive committee, to replace the party's 11 ministers. Foreign Minister Squadron Leader Prasong Sunsiri himself will be replaced by Police Lieutenant Colonel Thaksin Chinnawat, former chairman of the Chinnawat Group.

It is obvious that the Phalang Tham Party, with a total of 44 MP's, is really falling apart. Should there have been consultations in the party prior to the decision to replace the ministers, the resounding two-week-old protest against the reshuffle from the dissident MP's would not have occurred.

We must admit that Major General Chamlong Simuang became the leader of the party for the second time at the request of his supporters to salvage its deteriorating image and regain popular support. However, things did not turn out right.

There are indications that the Phalang Tham Party will definitely be divided. A number of party members want to leave the party either to form a new party or join other parties if the situation permits. Such a trend will definitely have a negative impact on the government's stability.

Suffice to say that the dissident MP's of the Phalang Tham Party under the leadership of Squadron Leader Prasong Sunsiri will not stop at only protesting against the nomination of outsiders for ministerial posts under the party's quota. As obstinacy is running high in the party, they are likely to break away from the party.

The coalition governments of the five parties—New Aspiration, Phalang Tham, Solidarity, Seritham, and Democrat Parties—commands a total of 193 votes in the House or 26 votes more than the Opposition. The 23 to 25 votes of the dissident MP's from the Phalang Tham Party can later become a decisive component in the House.

Prime Minister Chuan Likphai might think that he can solve the problem simply by dismissing the Phalang Tham Party from his coalition and inviting an opposition party to join the government. However, such a maneuver is likely to run counter to the feelings of the majority of the people.

Word Changes Said Not To Block Copyright Bill

*BK2210102594 Bangkok THE NATION in English
22 Oct 94 p A2*

[FBIS Transcribed Text] Deputy Commerce Minister Churin Laksanawisit yesterday dismissed fears that the Copyright Bill would hit snags although its wording has been changed by the Senate during final readings.

Churin, who chaired a House committee which has vetted the bill, said the changes in the wording were only "minor" and would not affect the passage of the legislation.

The Senate passed the third reading of the bill two weeks ago and referred it back to the House of Representatives.

"The House will only have to formally acknowledge those minor changes in the wording before passing it into law," Churin said.

The minister said it would take time for the House to acknowledge the changes in the wording because Parliament is in the process of deliberating the charter amendment bill.

"The Copyright bill is expected to be taken up by the House for acknowledgment of the new wording by the middle of next month.

"Prime Minister Chuan Likphai will then present the legislation for His Majesty the King's signature," Churin said.

The bill will then be announced in the Royal Gazette and will become law.

Last week, Yanyong Phuangrat, deputy director general of the Intellectual Property Department, said the bill had yet to be approved by the House again because of the changes in the wording.

Yangyong said the bill might not be finally approved by the House. He added that "political uncertainty" due to conflicts between coalition partners might cause a delay in the passage of the bill, and it might even lapse if the House was dissolved.

He was apparently referring to the rift in the Phalang Tham Party over its Cabinet reshuffle.

When the Senate passed the final readings of the bill, US President Bill Clinton promised to remove Thailand from the Priority Watchlist once the bill is passed.

Vietnam

Government Condemns Khmer Attack in Cambodia

BK2310065894 Hanoi VNA in English 1422 GMT
22 Oct 94

[FBIS Transcribed Text] Hanoi VNA Oct 22—The Government of Vietnam strongly condemns Khmer Rouges' [KR] attack on two families of Vietnamese nationals in Kompong Chhnang in Cambodia on Oct. 20, killing seven people including three children under four and wounding three others.

This comes in a statement today by a spokesperson for the Ministry for Foreign Affairs. The Vietnamese Government urgently [word indistinct] the Cambodian Government to take [words indistinct] measures to put an end to those terrorist acts against the Vietnamese community living in Cambodia, and to the recurrence of similar acts. At the same time, Vietnam urges the international community to condemn this new barbarous crime, the spokesperson said.

Vietnam, at the same time, draws the public opinion to the [words indistinct] intention of the Khmer Rouges who wish to take advantage of current situation to arouse national hatred, undermine the neighbourliness between the two nations and cause panic among ethnic Vietnamese in Cambodia to force them to leave the country', the spokesperson stressed.

Embassy Protests 'Massacre'

BK2110152594 Hanoi VNA in English 1425 GMT
21 Oct 94

[FBIS Transcribed Text] Hanoi VNA Oct. 21—The Vietnamese Embassy in Cambodia today sent a note to the Ministry of Foreign Affairs and International Cooperation and the Ministry of the Interior of Cambodia

condemning the Khmer Rouge's recent attack on Vietnamese nationals in Kampong Chhnang, killing of seven persons and wounding three others.

According to sources from the Overseas Vietnamese Association in the locality, at 00:30 on October 20 an armed Khmer Rouge group on two motor-boats launched an attack on Vietnamese nationals who were living on house boats on the Tongle Sap River in the Kampong Chhnang Commune, Rolia Bea District, Kampong Chhnang province. They killed seven people including three children and wounded three others.

The Vietnamese Embassy strongly condemned the above-mentioned [word indistinct] act of the Khmer Rouge and demanded that they put an immediate end to all acts of massacre of Vietnamese residents in Cambodia.

This noon, after hearing Mr. Duong Van Ky, head of the Overseas Vietnamese Association in Kampong Chhang, who denounced the crime of the Khmer Rouge, the United Nations High Commissioner for Refugees (UNHCR) in Cambodia issued a press release listing the names of the Vietnamese victims, and helped Mr. Ky hold a press conference at UNHCR's headquarters in Phnom Penh on the massacre.

Spokeswoman on Spratlys, PRC President Visit

OW2210133694 Hanoi Voice of Vietnam in Mandarin
0830 GMT 22 Oct 94

[From the "Commentary on Current Events" program]

[FBIS Translated Excerpt] On 20 October, the Vietnamese Foreign Ministry held a news conference in Hanoi on Vietnam's foreign affairs activities over the last two weeks and on issues of concern to foreign reporters here, such as Vietnamese-Chinese and Vietnamese-Cambodian relations and other issues. A station report on the major contents of the news conference follows:

Responding to an AFP reporter's question concerning the timing of President Jiang Zemin's forthcoming visit to Vietnam, Vietnamese Foreign Ministry Spokeswoman Ho The Lan pointed out:

[Ho The Lan in Vietnamese, fading into announcer's translation in Mandarin] At the invitation of Do Muoi, CPV Central Committee general secretary, and Le Duc Anh, SRV president, PRC President Jiang Zemin is scheduled to pay an official visit to Vietnam in late November 1994. It will be the first visit to Vietnam by a CPC Central Committee general secretary and the second visit to Vietnam by a PRC president since the two countries established diplomatic relations in 1950. It will be an important event during the course of development of Vietnamese-Chinese friendly and cooperative relations. The two sides are making active preparations for the visit.

Answering a REUTER reporter's question about Vietnam's reaction to a Taiwan statement on a plan to set up a weather station on Truong Sa Archipelago [Spratlys], the Foreign Ministry spokeswoman pointed out: Vietnam is collecting relevant information on the event. Since Vietnam has repeatedly affirmed its sovereignty over the Truong Sa and Hoang Sa Archipelagoes [Paracels], Vietnam denounces any violations of sovereignty over the two island groups.

In response to an AFP reporter's question about Chinese fishing boats' violation of Vietnam's territorial waters, the Foreign Ministry spokeswoman pointed out: Since May this year, there have been over 10 cases of Chinese fishing boats violating Vietnam's territorial waters and economic zones. For instance, Chinese boats No. 1115 and No. 12183 entered the coordinates of 20 degrees, 1 minute and 56 seconds north latitude, and 107 degrees, 41 minutes and 31 seconds east longitude on 19 August. Under the friendly relations between Vietnam and China, Vietnam solved these cases properly on the basis of international law and practice, as well as the laws of Vietnam. To protect Vietnamese fishermen's rights and interests, Vietnam has called on China to take measures to educate its fishermen not to repeat the violations of Vietnam's territorial waters and sovereignty. [passage omitted]

Nong Duc Manh Receives Lao Assembly Group

*BK2310070094 Hanoi VNA in English 1422 GMT
22 Oct 94*

[FBIS Transcribed Text] Hanoi VNA Oct. 22—Mr Nong Duc Manh, member of the party Central Committee and chairman of the National Assembly [NA], received here this afternoon a delegation of the social-cultural commission of the National Assembly of Laos led by its head Prof. Phu Laxaphon.

Chairman Nong Duc Manh welcomed the delegation's visit as a vivid manifestation of the close ties between the two regional assemblies, and a contribution to further strengthening the mutual understanding and creating groundwork for the commissions of the two legislatures to exchange views and experiences. He expressed his hope for the constant development of the special solidarity and friendship and the all-round cooperation between the two nations in general and the two national assemblies in particular.

The Lao delegation arrived in Hanoi on Oct. 20 for its working visit to Vietnam. This morning it held talks with a delegation of the culture, education, youth and children commission and the social affairs commission led by Prof. Nguyen Thi Tam Dan, member of the NA Standing Committee and head of the culture, education, youth, and children commission.

At the talks, the two sides informed each other of the activities of their agencies and exchanged views on the issues of common concern, and discussed how to

strengthen the friendship and cooperation between the committees of the two national assemblies.

Yesterday morning, the Lao delegation paid tribute to President Ho Chi Minh at his mausoleum.

Minister, Spanish Leaders Discuss Economic Ties

*BK2310151794 Hanoi VNA in English 1434 GMT
23 Oct 94*

[FBIS Transcribed Text] Hanoi VNA Oct. 23—Vietnam and Spain plan to promote their bilateral relations and sign agreements on economic and commercial cooperation on avoidance of double taxation, and on investment promotion and protection.

This was included in a joint statement signed by Spanish Foreign Minister Javier Solana Madariaga, and his Vietnamese counterpart Nguyen Manh Cam, who visited Spain on Oct. 18 and 19.

The joint statement also laid the framework and foundation for the cooperation between the two countries.

During his stay there, the Vietnamese diplomat held talks with Mr. J. S. Madariaga on regional and international issues of common concern. He also had working session on separate occasions with the Spanish Minister of Commerce and Tourism J. G. Navarro, Minister of State for External Affairs J. T. Dicenta and other senior officials of relevant agencies.

At these meetings, both sides agreed to carry out soon the USD [U.S. dollars] 80-million credit, granted by Spain to Vietnam, including the non-refundable aid.

The Spanish side expressed their readiness to cooperate with Vietnam in such fields as infrastructures, mechanical engineering, ship-building, fishery, food processing and tourism. They also promised to help Vietnam in personnel training, first of all in the Spanish language training, create good opportunities for Vietnamese goods accessible to the Spanish market as well as to other European Union member countries.

The Spanish Government has decided to open its embassy in Vietnam and wished that Vietnam would do the same in order to rapidly develop the two countries' relations. In the morning of October 19, Foreign Minister Cam was received by Spanish Prime Minister F. Gonzalez who reaffirmed the Spanish Government's commitment to rapidly develop the multi-sided friendly and cooperative relations with Vietnam and expressed the wish that the relationships between Vietnam and the European Union would be unceasingly expanded.

The Vietnamese foreign minister left Spain in the afternoon of the same day for Switzerland.

Further Reportage on National Assembly Session

Vo Van Kiet Report, Part 2

*BK2310100494 Hanoi Voice of Vietnam Network in
Vietnamese 1545 GMT 20 Oct 94*

["Second installment" of Prime Minister Vo Van Kiet's socioeconomic report delivered at the opening of the

Ninth National Assembly's Sixth Session in Hanoi on 20 October—read by announcer]

[FBIS Translated Text] 4. External economic relations have been widened constantly. The many diplomatic activities in 1994 have contributed to the enhancement of our prestige in international relations. This year, all areas of foreign trade, investment attraction, transportation, tourism, and services to foreigners have grown at a greater pace in comparison with the average development economic rate. We have fulfilled all the necessary requirements to be a GATT observer, and are actively preparing for full membership. The framework economic agreements between us and EU countries are being finalized before they are officially signed. Relations with the International Monetary Fund, World Bank, and the Asia Development Bank are being strengthened, thus creating favorable conditions for the funding of many important projects. The achievement of our debt restructure agreements at the Paris and London clubs has significantly reduced or delayed an important part of outstanding payments. This has been a breakthrough in our trade and credit relations with creditor nations.

World public opinion has welcomed our decision to join ASEAN, considering it a new step towards peace, stability, and cooperation in the region. Our government is urgently carrying out all necessary preparations to become a full member of this organization. We understand that this is an important step in strengthening relations with countries in the region, which responds to our people's aspirations. However, it also requires great effort from us to participate effectively in all activities of the organization. We have become an associate member of the Asia Pacific Economic Cooperation Council, approached the Pacific Basin Economic Cooperation Council, and have paid more attention to widening ties with the Asia Pacific Economic Forum. The National Assembly ratification of the 1982 Convention on Law of the Sea reaffirms our state's determination to join the world's legal system, an important factor in building a new international order respecting sovereignty and rightful benefit for all countries.

Visits by our leaders and those by many other state leaders to Vietnam in 1994 mark the development of our friendly and cooperative ties with many countries, especially with the Asia-Pacific region. On issues left over by history or that have recently emerged in international relations regarding our territorial sovereignty including borders, territory, overseas Vietnamese, and Vietnamese refugees, our attitude is persistence in dialogue and proper struggle in accordance with international laws and common sense. We oppose the use of violence or threats to use violence to solve the disputes, and for that we have the wide support and appreciation of the world community.

After the U.S. Government lifted the embargo on SRV, the two sides have achieved considerable progress in

negotiations on normalization of ties. The opening of liaison agencies in the capital cities of the two countries is only a technical matter. In the recent past, representatives of the U.S. Government have many times voiced their high regard for our humanitarian and positive views on the MIA/POW issue. The two countries have exchanged many delegations of officials and businessmen. For a start, American companies are involved in 16 direct investment projects in Vietnam with registered capital amounting to \$171 million. The normalization process between the two countries is progressing in a positive direction though there are still some hurdles to overcome.

Vo Van Kiet Report, Part 3

BK2410072494 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 21 Oct 94

["Third installment" of Prime Minister Vo Van Kiet's socioeconomic report delivered at the opening of the Ninth National Assembly's Sixth Session in Hanoi on 20 October—read by announcer]

[FBIS Translated Text] About Shortcomings

Achievements recorded in 1994 are encouraging. However, we must be honest in looking at our shortcomings.

1. The 1994 economy, despite progress in many areas and a relatively high rate of development, is not particularly satisfactory. Economic capabilities and efficiency are limited in many ways. This situation is shown in the following areas:

- Macroeconomic control measures still need to overcome their own shortcomings.
- The state economic sector, especially regarding state-run economic enterprises, has not surged forward to satisfactorily perform its leading role.
- The reform in cooperatives is being carried out slowly.
- Generally speaking, the domestic market is still primitive and imperfect in many areas.
- The state management has not been able to catch up with national development.

These shortcomings limit the development of production forces. Our economic development has not led to greater improvement in other socioeconomic areas. Some new cultural, social, and environment problems have not been solved promptly.

In production relations, we lack measures to enhance the role and efficiency of the state economy, to encourage the fine results of the collective economy, to support the dynamism of the household economy, and to guide the private economy along the lines of our national economy.

2. The financial and monetary system has not been able to catch up with economic development. It has also not become one of the most decisive and efficient means of managing our national macroeconomy. General speaking, we have not been able to form a national

financial system which is suitable to our open-door economy in the market-oriented mechanism. The important means of a national economy—taxes, an accounting and auditing system, and financial, credit, and banking systems—have not met the requirements of our development.

In the national budget we are still permeated with a high rate of overspending and poor results from state funding. Incorrect recording of government spending is common. Government money is squandered. A considerable number of state-run enterprises still run their businesses at a loss, affecting the national budget. We have not been able to significantly reduce the incorrect use of state money. Due to poor funding, many projects have been carried out slowly or held up until 1995, especially infrastructure construction projects. This reality, together with some major natural calamities in 1994, will affect the 1995 state budget.

Moreover, although 1994 revenue has increased greatly, an important part of the revenue comes from import taxes. If we do not actively limit this revenue, the excess of imports over exports will increase, seriously damaging our domestic production and limiting our chance of entering the world market.

Tax loss is still great. We have not satisfactorily increased revenue resources by expanding production and business. The current taxation system is too complicated, inconsistent, and full of loopholes. It obstructs economic development and affects our external economy. At the same time, it does not ensure a steady revenue for the national budget.

While the country is still poor, the practice of thrift is regularly encouraged. However, many places have not carried it out strictly enough. They normally use precious capital to build new offices, purchase expensive equipment, and buy extravagant things.

Many sectors and localities have not paid attention to fully exploiting their own capital resources to meet their development requirements. The attitude of waiting for budget funding is still common. The government also lacks the necessary regulations to strictly control spending and encourage the practice of thrift.

The development of a capital market has become an urgent demand of our national economy. Shortcomings in capital management are holding back the mobilization and optimal utilization of all the domestic and foreign capital resources.

The current financial and banking system is not able to provide financial and credit services required by an open-door economy. It has not satisfactorily developed a capital market nor improved the results of invested capital.

Research into and experimental introduction of the share holding system in state enterprises, the opening of

a stock market, and other capital mobilizing forms have been implemented very slowly.

At present, all sectors and localities are facing a severe capital shortage, which limits our production and business potentials.

3. The state mechanism is still bulky with excessive procedures. Although the state has completed a significant work in the new legislation system, implementation of the latter is not being strictly carried out. Moreover, many state management agencies have not thoroughly understood the new socioeconomic requirements.

In the new period of development, we must have a suitable national administration system. The new constitution and recently promulgated laws on the organization of the state mechanism are important developing steps. However, the government has merely started some initial work. Generally speaking, the organization and working methods of the current national administration mechanism are not thorough enough and are very weak in defining the horizontal and vertical working relations with other state agencies. Sometimes, departmentalism is prevalent in certain places.

Work responsibility is not defined clearly, which helps to worsen the attitudes of bureaucratism and authoritarianism. The authority and responsibility for work are not described sufficiently carefully. This is one of important causes for the sluggishness in our administration.

Our contingent of cadres and officials has not been able to meet the various demands for national construction and management in the renovation undertaking. This requires the urgent training and retraining of civil servants to improve their management capacity, administration skills, and moral quality. However, this requirement is not being given appropriate attention.

Corruption and extortion are prevalent in many places. Social order and discipline are deteriorating in some ways. Criminal offenses and social ills are being reduced at too slow a pace. Illegal business practices are still prevalent. Inconvenient administration procedures cause difficulties for the public in conducting their business.

Lately, the government has applied some measures to reform its administrative procedures. However, that is in the initial stage with no clear result yet. The present situation proves that national development requires the urgent establishment of a fundamental national administrative system to meet the requirements of national management and development under the socialist direction.

4. There are many shortcomings in our external affairs economy. The first thing that needs to be emphasized is that many enterprises and state organs, starting with the organs which control the external affairs economy, have not fully realized the fierce competition that our country has to face when it enters the world economy. Therefore, we have not sufficiently overcome shortcomings in our

competition with the outside world in the fields of foreign trade, export, foreign investment, external cooperation, and foreign financial support to enable us enter the international market and penetrate new markets.

The current general situation is that we have to import goods at high prices and export our products at low prices. This is a great loss to us. The sales of a substantial volume of our export products still have to go through middlemen. The ratio of our capital contributions in most of joint ventures stands at only about 30 percent. We are allowed to handle the shipment of only one-tenth of the volume of import-export products. As a result, our transport sector earns very meager profits. Not a small part of our country's legitimate interests has been ignored. The evils of corruption, negativism, and smuggling have further aggravated our unfavorable position. Many foreign business people have been critical of the fact that, in practice, Vietnam has failed to apply the principles governing its open-door policy. Their complaints about harassment and inconvenience are perfectly correct. As a result, our country still cannot bring into full play all of its advantages. A number of business opportunities have been missed.

The government has directly instructed the state agencies concerned to take prompt action to overcome this unhealthy situation, particularly when it comes to giving consideration to investment projects [words indistinct] and will promulgate new measures by the end of the fourth quarter of 1994.

In reviewing the implementation of the 1994 tasks, it can be said that the government has made efforts to improve macro-management skills and firmly grasp the resolutions of the party and National Assembly regarding the handling of national affairs. Based on the correct evaluation of new opportunities and advantages, the government has concentrated manpower and material resources on important issues and adopted many measures to resolve once for all problems that arise from the management of national affairs. Due attention has been paid to localities that are still rife with difficulties. Active preparations have been made to meet new national development needs.

In 1994, the government and sectors and echelons have made some new progress in directing work implementation. Special measures have been taken to improve the quality of policy-making and planning guidelines. Due efforts have been made to review and adjust development plans, including both master and regional development plans, to make preparations for the years ahead.

Regarding management methods, greater efforts have been made to assess the situations, organize on-the-spot inspection tours, provide timely direction on ways to deal with emergencies, give active assistance to all sectors and localities so that they can handle their own affairs, promote the spirit of independence, and take resolute measures to fight against loose discipline, dispersion, and regionalism.

The government has attached due importance to ways of organizing the implementation of the National Assembly resolutions on the campaign for thrift and against corruption and smuggling. To date, ministries, sectors, and provincial and city people's committees under the management of the central government have worked out plans to implement the movement for thrift and the curbing of wasteful spending. Over the past year, along with practical measures, the government has directly helped heads of sectors and echelons with anti-corruption guidelines. In particular, stern action has been taken against many cases of smuggling, corruption, and illegal business activities.

Nonetheless, the results obtained still remain very limited. The evils of negativism, corruption, and harassment of the people continue to have a serious impact. This situation calls for persistent and positive efforts to carry out administrative reform in combination with endeavors to encourage broad sections of the population and the mass media to criticize and condemn negative phenomenon. This situation is also one of the factors that testify to the urgent need for administrative reform.

The aforementioned weaknesses also point out problems that the government still needs to tackle and shortcomings that it has to overcome in the management of national affairs.

21 Oct Afternoon Proceedings

BK2110155094 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 21 Oct 94

[FBIS Translated Text] This afternoon the National Assembly deputies continued their work at the conference hall. At the start of the session, Trinh Chan, vice chairman of the National Assembly National Defense and Security Committee, reported on the 1994 national defense and security situation as well as the 1995 national defense and security orientations and tasks.

Next, the vice chairman of the National Assembly Nationalities Council reported on a number of urgent problems concerning the areas inhabited by hilltribe people and Montagnards in the framework of the 1994-95 socioeconomic development tasks. Tran Thi Tam Dang, chairwoman of the National Assembly Culture, Education, and Teenagers and Children Committee, reported on a number of issues relating to the policies on personnel for and state management of the education of teenagers and children. The deputies also heard the following:

- On behalf of the National Assembly Science, Technology, and Environment Committee, Comrade Vo Tong Xuan reported on the acceleration of agricultural industrialization, rural development, and improvement of the material and cultural life of peasants.
- Comrade Nguyen Thi Than, chairwoman of the National Assembly Social Affairs Committee,

reported on a number of issues relating to public health care and social services.

- Comrade Hoang Bich Son, chairman of the National Assembly Foreign Relations Committee, reported on the state's diplomatic activities in 1994.

Tomorrow morning the deputies will continue to hear reports at the conference hall.

Second Communiqué Issued

BK2110160194 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 21 Oct 94

[“Communiqué Two” issued by the Sixth Session of the Ninth National Assembly on 21 October]

[FBIS Translated Text] The National Assembly held a plenary session today in the Conference Hall under the direction of National Assembly Chairman Nong Duc Manh.

The National Assembly continued to hear reports from:

- State Inspector General Nguyen Ky Cam reporting on the implementation of the resolution on practicing thrift, anti-wasteful spending, anti-corruption, and anti-smuggling in the first eight months of 1994; orientations and measures to continue these tasks in 1995.
- Foreign Deputy Minister Nguyen Dy Nien reporting on external affairs in 1994 and directions for 1995.
- Ly Tai Luan, vice chairman of the National Assembly's Economics and Budget Committee, giving a dissertation on implementation of socioeconomic and state budget tasks in 1994, and directions for socioeconomic and state budget tasks in 1995.
- Tran Van Nhan, vice chairman of the National Assembly's Economics and Budget Committee reading investigative report on final accountability for state budget 1993.
- Trinh Tran, vice chairman of the National Assembly's National Defense and Security Committee, giving a dissertation on implementation of national defense and security tasks in 1994 and directions for tasks in 1995.
- Cu Hoa Van, vice chairman of the National Assembly's Nationalities Council, reading a dissertation on issues concerning 1994-95 socioeconomic development in the mountain and minority ethnic regions.
- Tran Thi Tam Dan, chairwoman of the National Assembly's Culture, Education, Youth, Teenager, and Children Committee reading a dissertation on issues concerning manpower management policy and education for youth and children.
- Vo Tong Xuan, vice chairman of the National Assembly's Science, Technology, and Environment Committee, giving a dissertation on industrialization of agriculture, development of rural areas, and improvement of farmers' material and cultural living standards.

- Nguyen Thi Than, chairwoman of the National Assembly's Social Issues Committee, reading a dissertation on a number of issues concerning public health and social welfare.

- Hoang Bich Son, chairman of the National Assembly's External Affairs Committee, speaking about state foreign relation tasks.

On 22 October the National Assembly will continue to work in the Conference Hall to hear the reports, then deputies will meet in groups to discuss issues that require further discussions in plenary sessions.

22 Oct Morning Proceedings

BK2210112094 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 22 Oct 94

[FBIS Translated Text] The National Assembly continued its work this morning at the Ba Dinh Conference Hall under the direction of National Assembly Chairman Nong Duc Manh. The National Assembly heard reports presented by cabinet members and members of various National Assembly committees as follows:

- Pham Hung, chief justice of the Supreme People's Court reported on the performance of the jurisdiction sector in the first eight months of 1994.
- Le Thanh Dao, chief of the Supreme People's Organ of Control, reported on the law enforcement and activities of the legal control sector in 1994.
- Nguyen Van Yeu, deputy chairman of the National Assembly Judiciary Committee, spoke on 1994 activities and the supervision of local courts and law enforcement agencies of the Supreme People's Court and the Supreme People's Organ of Control.
- Later, National Assembly Chairman Nong Duc Manh, on behalf of the National Assembly Standing Committee, reported on the 1994 activities of the National Assembly Standing Committee and its directions in 1995.

After two and a half days of listening to reports on the economy, society, security, national defense, and foreign affairs by our party and state, National Assembly deputies this afternoon will exchange views with their provincial delegations on issues of mutual concern.

Third Communiqué Issued

BK2210162794 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 22 Oct 94

[“Communiqué Three” issued by Sixth Session of Ninth National Assembly on 22 October]

[FBIS Translated Text] The National Assembly held a plenary session this morning at the Ba Dinh Conference Hall under the direction of Chairman Nong Duc Manh. In this session:

- Pham Hung, chief justice of the Supreme People's Court, reported on judicial activities in the first eight months of the year.
- Le Thanh Dao, chief of the Supreme People's Organ of Control, reported on the law enforcement activities.
- Nguyen Van Yeu, deputy chairman of the National Assembly Judiciary Committee, read an investigative report on the report of the chief justice of the Supreme People's Court, on the performance of the judicial sector, on the report of the chief of the Supreme People's Organ of Control on law enforcement activities, and on the government report on the supervision of organization and sentencing by local courts.
- Nong Duc Manh reported on the activities of the National Assembly Standing Committee and its agenda for 1995.

In the afternoon, deputies exchanged views with their provincial delegations on issues to be discussed by the full Assembly. On 24 October, the deputies will continue to work with their provincial delegations before returning to the conference hall in the afternoon.

Proceedings Adjourned Until 24 Oct

BK2210162594 Hanoi VNA in English 1422 GMT 22 Oct 94

[FBIS Transcribed Text] Hanoi VNA Oct 22—The National Assembly [NA] today continued its work in a plenary session under the chairmanship of Chairman Nong Duc Manh.

The deputies heard a major report presented by Chairman Manh on the activities of the NA Standing Committee in 1994 and the directions of its work in 1995.

In the past 10 months the NA passed the code of labour and seven laws, the NA Standing Committee adopted ten ordinances, and made comments on 10 draft bills, and 5 draft ordinances. The committee also pushed up the supervision, focussing on law implementation, the activities of the people's councils at all levels, the implementation of the NA resolution on practising economy and fighting corruption and smuggling.

The NA will continue its work on Monday [24 October].

Deputies Hold Group Discussions

BK2410054394 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 24 Oct 94

[FBIS Translated Text] National Assembly deputies held group discussions this morning about a government report presented by Prime Minister Vo Van Kiet. The report evaluates the situation regarding the implementation of the socioeconomic tasks in 1994 and deals with the orientations and tasks for 1995. The deputies also discussed the state budget.

After monitoring the activities of various National Assembly delegations from Ho Chi Minh City and Ha Tay, Hoa Binh, and Hai Hung Provinces as well as of other delegations, we found that in general, all National Assembly deputies favored the government report on the evaluation of the socioeconomic situation in 1994. A number of National Assembly deputies also contributed their views on agricultural production, saying that the state must pay attention to making greater investment in agricultural production, especially in the processing activities of the food industry. Only by doing so can the state gradually reduce the importation of processed products such as sugar.

In addition, agriculturally, the state must pay attention to renovating cooperatives. Losses in capital construction continue to be great. Not much has been done in the fight against wasteful spending and corruption and the state of tax collection shortfalls is still serious. A deputy from Hai Hung Province asked that the state reevaluate the losses caused by flash floods in the Mekong Delta provinces to provide relief measures to help the compatriots restore their livelihood and develop production.

The National Assembly will be in session at the Ba Dinh conference hall this afternoon to discuss a government report that evaluates the socioeconomic situation in 1994 and sets forth the socioeconomic tasks for 1995. It will also discuss the state budget.